B9200-5.1

# Electricity Pricing: Choices For The 80's

## American Attitudes on Electricity Pricing and Economic Growth

Survey Conducted by
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For Union Carbide Corporation

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## Preface

Electricity has become an issue of increasing public concern. After decades of *declining* prices, rapid increases in charges to all electricity consumers occurred during the 1970s. Higher costs incurred by the utilities—especially the rapid escalation of the cost of fuel needed to generate electricity—have made it necessary for utilities to increase the rates they charge for electricity sold to factories, stores, and homes.

Since 1972, the price charged for each unit of electricity used by industry has increased almost *twice* as much as the price charged for each unit used by residential consumers. Electricity rates to industry rose nearly 20% in 1980, putting an onerous burden on those industries that are electricity-intensive in their operations. But while these higher electricity charges to industry are almost inevitably passed along in the total price consumers pay for goods and services, Americans are more immediately concerned about the increases in the electricity bills they pay at home. So not surprisingly, the price of residential electricity has been the main factor in the public debate about electricity price structures.

What is not generally appreciated by the public is that the sharp increases in industry's electric rates are partly the result of rate-making policies that force industry to subsidize other types of users.

Inescapable increases in utility generating costs and higher rates for electricity users have led some federal and state policymakers to try to hold down rises in residential rates by moving away from the historical formula used to set electricity rates, a formula called "cost of service." The "cost of service" principle means that utilities charge each different class of customer what it actually costs to supply that class with the electricity it uses. Since it costs a utility more to bring one kilowatt hour of electricity to a single family home than to a large manufacturing facility because of economies of scale, home owners pay more under cost of service for that one kilowatt than do industrial customers.

Many different rate-making approaches have been proposed that would circumvent the cost-of-service principle. Almost all of these approaches require industry and commerce to subsidize other electricity users by having industry's rates raised disproportionately when compared to the rates of other classes of users. Since 1972, residential customer costs per kilowatt hour have risen 115%; for commercial customers costs have gone up 129%; and for industrial users they have risen 212%.

Union Carbide and its employees, customers, shareholders and the communities in which we operate have a vital stake in seeing America develop sound electricity pricing policies. In 1980, Union Carbide purchased 10.4 billion kilowatt hours of electricity, enough to supply the entire State of California for one month. Over the

past 8 years, Union Carbide's sales increased about 200% while consumption of electricity increased only 20%, largely because of strenuous conservation efforts. In this same period, Union Carbide's electricity costs rose almost 400%, and we expect them to increase more than 1200% over the next 20 years. By the year 2000, we expect that we will be using more than twice as much electricity as we did in 1980 to keep pace with expansions of our businesses.

Because Union Carbide believes that public opinion is a key factor in determining both the direction and the success of public policies, we commissioned a public opinion survey in the Summer of 1981 to gauge the public mood about electricity pricing, electricity supplies, and the public's sentiment on electricity pricing policy choices. Since electricity policies are decided at the state as well as at the national level, we also commissioned in-depth surveys in six states where Union Carbide has major operations—Connecticut, West Virginia, Alabama, Louisiana, Ohio, and California.

- The study found that most Americans in every region and demographic grouping show concern about both rising electricity prices and future electricity availability. When asked about the present situation in their own area, Americans express only moderate concern with the current price and availability of electricity. But when they look ahead ten years, a majority of Americans forsee difficulties in obtaining reliable supplies of electricity adequate to their area's needs. Two out of three say their own rates are "about right" or "somewhat high", and a similar number believe the prices of most other consumer goods have risen more rapidly in recent years than electricity prices.

- Most Americans express a relatively favorable opinion of the electric utility company in the area in which they live, and they agree that there are a variety of reasons for rising electricity prices. When asked, for example, to rate various factors that might have contributed to the rise in electricity prices during the last five years, majorities or high pluralities cite as *very important* reasons higher fuel costs (54%), the time required to meet government environmental and safety regulations (47%), the slow rate of conversion to coal (46%), dependence on foreign oil (46%) and the cost of controlling pollution caused by power plants (45%).

- Quite predictably, large majorities—approximately eight out of ten—favor more conservation. By the same percentage, Americans favor increased use of coal in order to help provide adequate electricity capacity in coming years. The public divides relatively evenly—47% to 50%—over the desirability of building more nuclear power plants.

- On the issue of electricity pricing, majorities of Americans give support to two apparently contradictory principles. About six out of ten agree with the concept that a utility's electricity rates

should largely be based on what it actually costs that utility to provide service to each consumer class—the "cost of service" principle. But, in a later question, when it was explained that high volume industrial consumers usually pay less per kilowatt hour than residential consumers under such a concept, an equal number felt that, even if it actually costs less to supply electricity to industry, industrial and residential users should be charged the same amount for each unit they use. Nearly two-thirds of those asked also believe that poor people should pay the same rate as other users for their electricity, but an equal number endorse government programs that would help poor people pay for a certain basic amount of electricity.

- Absent any perspective of the effect of electricity prices on industry, it is not surprising that the public seems to endorse cost of service electricity pricing and also to oppose it. To test the implications of various electricity pricing approaches on industry, a battery of questions were asked relating pricing policies to economic growth, jobs, and the prices people pay for what industry produces. Most Americans say they do not want electricity pricing practices to stand in the way of economic growth in the areas in which they live.

  1) About 7 out of 10 Americans recognize that industry pays attention—one in four saying "a lot of attention"—to what the electric rates are when making a plant location decision.

  2) Approximately 6 out of 10 oppose charging industry more than it costs to supply them with electricity if it means that some companies might not expand their operations, move operations elsewhere, or that the number of new plants and jobs in their area would be reduced.

  3) About 8 out of 10 Americans recognize that the prices charged by industry are affected by what industry pays for electricity—one in four saying "a large effect." And 6 out of 10 would oppose raising industrial electrical rates, if, in fact, this did lead to increased prices for the goods and services industry produces.

The public's concern about the health of the American economy, reflected in this survey by their choice of policy alternatives that support economic growth, is consistent with the findings of three earlier surveys of public attitudes on economic issues sponsored by Union Carbide. We found in these surveys, conducted from late 1979 through early 1981, that Americans expressed strong and consistent concerns about our economy; had an awareness that America has to do a better job of competing in the world; and believed that government is the main institutional cause for the

decline in the growth and competitiveness of our economy. The results of these surveys reinforced findings of public opinion polls commissioned by others that showed that economic issues were the subjects most troubling to the public as the nation entered the new decade.

As the *Vital Consensus* (published in April, 1980) found, most Americans believed economic growth helped them personally and benefited the entire nation as well; they found growth highly desirable, but they were pessimistic about the likelihood of economic growth in the coming years. *Adversaries or Allies* (published in November, 1980) found almost universal agreement that our difficult economic problems—such as the high rate of inflation, rising energy costs, and inefficient governmental regulations—are exacerbated by needless conflicts among the various sectors of our society. And the public said they wanted all of our institutions—including government and business—to work together more closely to solve these problems. *The Emerging Consensus* (published in April, 1981) found continuing concern over the present state of the economy, general agreement that our economic problems were both a cause and a consequence of our present international trade difficulties, and a growing consensus that government and business must work together more closely if American industry is to become more competitive within a structure of international trade that is fair to all nations.

This fourth survey found most Americans continuing to select policy alternatives that would encourage industrial expansion, jobs, and sound economic growth. On the specific issue of electricity pricing, significant majorities concluded that their personal interests will be served best by the cost of service pricing approach.

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Union Carbide

MONITION

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CRI #1678

## Introduction

This is an analysis of a survey of public attitudes toward the problem of electricity supply and cost in the United States and toward a number of possible electricity pricing policy options. The survey was conducted using a sample of 1,001 adult Americans scientifically selected to reflect the attitudes of the entire over-18, noninstitutionalized population of the United States. All interviews were conducted by telephone on a confidential basis by trained, professional interviewers under the supervision of Cambridge Reports, Inc. field staff, between July 17 and July 29, 1981.

## Objectives

This survey has the following objectives:

* To assess overall public awareness of and concern about the supply of electricity;
* To measure current attitudes toward electric utilities and the rates they charge; and
* To determine attitudes toward various electric utility rate issues.

## Methodology

The methods used in this survey were the same professional ones used in all Cambridge Reports, Inc. surveys. All interviews were conducted by trained, professional interviewers under the supervision of the Cambridge Reports, Inc. field staff and were returned to Cambridge for coding and data processing using modern computer methods.

## Notes on analysis

In reading through the report, please keep in mind the following points:

* The marginals on demographic charts (the number to the left of each demographic designation) show the percentage that the group represents of the overall base population; when the marginal is 6% or less on charts on which the base population is approximately 1,001, conclusions based on these responses should be made with caution as the numbers are based on a sample size too small to be entirely reliable;

* A copy of the questionnaire appears in Appendix A, for quick referral;

* Demographic charts discussed, but not included, in the text are available on request from the Union Carbide Corporate Communications Department;

* In some cases, tables and charts may not add to exactly 100% because of rounding;

* The geographical areas referred to in this report are shown on the map that follows.

Northeast
Industrial
Midlands
Central
Pacific
South

## Executive Summary

This survey shows that most Americans do not expect there to be any immediate problems in maintaining adequate supplies of electricity to their area, but they feel much less secure about the long-term supply situation. Altogether, 55% of the population foresee some degree of difficulty supplying their area with electricity in 10 years' time, with fully one out of four people expecting supplies to be "very difficult" to maintain.

As for possible solutions to the problem of providing adequate supplies of electricity, more than four out of five people favor increased conservation by both business and individual consumers, and nearly the same proportion support increased reliance on coal for generating electricity. A third proposal we tested--increased construction of nuclear power plants--leaves the public just about evenly divided between support and opposition.

Turning to the public's views about suppliers of electricity, we find that, although only one in five people give the highest possible rating to their own utility, two out of three say their utility does a good job. Not surprisingly, there is a direct correlation between the size of people's electric bills and their feelings about their utility, with negative ratings rising sharply among those who report paying over $100 per month.

Asked to assess their electric bills in more subjective terms, nearly two out of five people describe the rates charged by their utility as somewhat high, with just under one in three describing them as just right. Virtually no one describes their utility's rates as low, and less than one third describe them as very high. We see very little variation in these rate assessments even when people are asked to take into account all the benefits they receive from electricity. It is worth noting, however, that most people do not see electricity prices rising as fast as the prices of other things over the last 15 years. When asked to compare the rising cost of electricity with the cost of most other things since 1967, more than two out of three felt the cost of most other things has gone up more than electricity.

Among a number of factors we tested, the rising cost of fuel is rated by the public as the most important cause of rising electricity prices. Just about equal majorities also attribute at least some importance to the cost of meeting government regulations, reliance on imported oil for electricity generation, and the slow pace of coal conversion for utilities. The public is least likely to see the slowdown in nuclear power plant construction as a significant factor in rising electricity prices, though two out of three people do rate it as at least somewhat important.

The last part of the survey includes a series of questions revolving around the issue of cost-of-service pricing. Our data show that Americans generally go along with the general idea that electricity rates should be based directly on what it costs a utility to supply a given customer, but cost-of-service pricing is rejected by a clear majority when they learn that industry might as a result pay a lower per unit price for electricity than residential customers. This pricing system once again gains favorability, however, in response to questions testing arguments that the public might benefit as well because of lower consumer prices and increased jobs (though a large minority of diverse people consistently oppose cost-of-service pricing despite the promises contained in the arguments we tested).

We can conclude, therefore, that majority support for cost-of-service pricing will develop only if people believe that they, as well as industry, will receive clear benefits from the concept.

## The Problem of Electricity Supplies

We began our survey by asking respondents how difficult a problem they feel it is ensuring adequate supplies of electricity to their part of the country, both now and over the long term. We also checked on people's views about three possible ways of providing adequate electricity supplies--increased use of coal, increased use of nuclear power, and increased conservation.

### How big is the electricity supply problem?

As the first table shows, most people express low levels of concern about the problem of maintaining an adequate and reliable supply of electric power in their own area today. Asked to rate the difficulty of this problem on a 7-point scale, one out of four people assign the lowest possible rating. Altogether, 57% of the population give one of the three lowest difficulty ratings (points 1, 2, and 3 on the scale), whereas less than half that number--26% of the population--give one of the three highest difficulty ratings.

On a scale from "1" to "7," where "1" means "not difficult at all" and "7" means "very difficult," I would like you to tell me how difficult you feel the problem of providing an adequate and reliable supply of electricity in your area is. The more difficult you feel the problem is, the higher the number you would give.

| | Not difficult at all | | | | | Very difficult | | [DON'T KNOW] |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| How difficult today is the problem of providing an adequate and reliable supply of electricity in your area? | 25% | 14 | 18 | 14 | 16 | 4 | 6 | 1 |
| | | 57% | | | | 26 | | |

Demographic breakdowns show that lower income and less educated respondents are somewhat more concerned than their counterparts about the problems of supplying electricity to their area. Residents of the Pacific region, which has experienced comparatively rapid population growth, are more concerned than people living in other sections of the country about electricity supply problems. On the whole, however, no demographic group exhibits a very high level of concern about electricity supply problems in their area at the present time. A complete demographic analysis follows.

On a scale from "1" to "7," where "1" means "not difficult at all" and "7" means "very difficult," I would like you to tell me how difficult you feel the problem of providing an adequate and reliable supply of electricity in your area is. The more difficult you feel the problem is, the higher the number you would give. How difficult today is the problem of providing an adequate and reliable supply of electricity in your area?

1. NOT DIFFICULT 2.
3. 4.
5. 6.
7. VERY DIFFICULT 8. DK

| | | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|---|---|---|---|---|---|---|---|---|---|
| Responses = 1001 | | | | | | | | | |
| MARGINALS | | 25 | 14 | 18 | 14 | 16 | 4 | 6 | 1 |
| | 18. PRICE BASED ON UTILITY'S COSTS | | | | | | | | |
| 28 | TOTALLY | 27 | 14 | 18 | 12 | 15 | 4 | 9 | 0 |
| 30 | MOSTLY | 25 | 16 | 19 | 15 | 15 | 4 | 5 | 1 |
| 35 | SOMEWHAT | 24 | 12 | 20 | 15 | 16 | 5 | 5 | 2 |
| 4 | NOT AT ALL | 30 | 19 | 11 | 19 | 11 | 3 | 5 | 3 |
| 3 | DK | 25 | 11 | 14 | 4 | 21 | 4 | 7 | 14 |
| | 27. SEX | | | | | | | | |
| 50 | FEMALE | 25 | 14 | 15 | 16 | 18 | 4 | 6 | 1 |
| 50 | MALE | 26 | 14 | 22 | 13 | 13 | 5 | 6 | 2 |
| | 28. EDUCATION | | | | | | | | |
| 6 | SOME GRADE | 26 | 11 | 8 | 16 | 20 | 7 | 10 | 2 |
| 8 | SOME HIGH | 16 | 18 | 10 | 13 | 20 | 8 | 11 | 5 |
| 36 | HIGH GRAD | 28 | 10 | 19 | 14 | 15 | 4 | 8 | 1 |
| 2 | TECH-VOC | 22 | 22 | 17 | 11 | 22 | 6 | 0 | 0 |
| 21 | SOME COLLEGE | 21 | 15 | 24 | 14 | 17 | 3 | 4 | 1 |
| 17 | COLLEGE GRAD | 27 | 15 | 19 | 14 | 14 | 6 | 4 | 1 |
| 9 | GRAD SCHOOL | 30 | 20 | 16 | 17 | 10 | 4 | 1 | 2 |
| 0 | DK | 25 | 25 | 0 | 25 | 0 | 0 | 25 | 0 |
| | 29. INCOME | | | | | | | | |
| 8 | $0-6999 | 28 | 6 | 15 | 10 | 23 | 1 | 13 | 4 |
| 9 | $7-9999 | 31 | 13 | 14 | 10 | 15 | 7 | 7 | 2 |
| 7 | $10-12999 | 17 | 14 | 21 | 10 | 26 | 6 | 6 | 1 |
| 7 | $13-14999 | 19 | 13 | 17 | 22 | 13 | 4 | 13 | 0 |
| 13 | $15-19999 | 26 | 14 | 21 | 15 | 12 | 2 | 10 | 1 |
| 14 | $20-24999 | 20 | 19 | 19 | 16 | 15 | 8 | 1 | 1 |
| 35 | $25000 AND OVER | 28 | 14 | 20 | 16 | 15 | 4 | 4 | 1 |
| 6 | REFUSED | 29 | 21 | 14 | 11 | 11 | 5 | 5 | 4 |
| 2 | DK | 21 | 16 | 21 | 5 | 16 | 5 | 11 | 5 |

Providing supply of electricity today (continued)

1. NOT DIFFICULT 2.
3. 4.
5. 6.
7. VERY DIFFICULT 8. DK

| | | Responses = 1001 | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | MARGINALS | 25 | 14 | 18 | 14 | 16 | 4 | 6 | 1 |
| | | 30.AGE | | | | | | | | |
| 17 | | 18-25 | 21 | 17 | 22 | 20 | 11 | 3 | 4 | 2 |
| 26 | | 26-35 | 20 | 16 | 22 | 19 | 15 | 3 | 5 | 1 |
| 16 | | 36-45 | 26 | 12 | 15 | 12 | 21 | 4 | 7 | 2 |
| 17 | | 46-55 | 26 | 14 | 16 | 11 | 19 | 5 | 9 | 1 |
| 11 | | 56-65 | 38 | 9 | 14 | 9 | 15 | 7 | 6 | 1 |
| 12 | | OVER 65 | 29 | 15 | 20 | 9 | 10 | 6 | 8 | 3 |
| 1 | | REFUSED | 40 | 20 | 10 | 0 | 10 | 10 | 10 | 0 |
| | | AREA | | | | | | | | |
| 14 | | NORTHEAST | 27 | 18 | 17 | 10 | 13 | 3 | 10 | 1 |
| 24 | | INDUSTRIAL | 27 | 13 | 16 | 16 | 17 | 5 | 4 | 2 |
| 13 | | MIDLANDS | 37 | 13 | 20 | 13 | 14 | 2 | 2 | 0 |
| 21 | | SOUTH | 22 | 12 | 17 | 14 | 17 | 7 | 10 | 2 |
| 14 | | CENTRAL | 23 | 15 | 26 | 15 | 10 | 5 | 4 | 2 |
| 13 | | PACIFIC | 18 | 16 | 18 | 17 | 20 | 4 | 7 | 1 |

The picture changes dramatically, though, when we ask people to use the same scale in rating their expectations about electricity supplies in 10 years. As the next table shows, 55% of the population assign one of the three "difficult" ratings to the problem of supplying electricity to their area in a decade's time--more than double the number who assign that high a rating to the current situation.

On a scale from "1" to "7," where "1" means "not difficult at all" and "7" means "very difficult," I would like you to tell me how difficult you feel the problem of providing an adequate and reliable supply of electricity in your area is. The more difficult you feel the problem is, the higher the number you would give.

| | Not difficult at all | | | | | | Very difficult | [DON'T KNOW] |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| How difficult 10 years from now do you think the problem of providing an adequate and reliable supply of electricity will be in your area? | 11% | 7 | 11 | 12 | 17 | 14 | 24 | 5 |
| | | 29% | | | | 55 | | |

Demographic breakdowns of the responses show that here, as in the previous question, lower income and less educated people tend to be more concerned than higher income and better educated people about the problems of supplying electricity to their area 10 years from today. A complete demographic analysis follows.

On a scale from "1" to "7," where "1" means "not difficult at all" and "7" means "very difficult," I would like you to tell me how difficult you feel the problem of providing an adequate and reliable supply of electricity in your area is. The more difficult you feel the problem is, the higher the number you would give. How difficult 10 years from now do you think the problem of providing an adequate and reliable supply of electricity will be in your area?

1. NOT DIFFICULT 2.
3. 4.
5. 6.
7. VERY DIFFICULT 8. DK

| | Responses = 1001 | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|---|---|---|---|---|---|---|---|---|---|
| | MARGINALS | 11 | 7 | 11 | 12 | 17 | 14 | 24 | 5 |
| | 18. PRICE BASED ON UTILITY'S COSTS | | | | | | | | |
| 28 | TOTALLY | 13 | 7 | 13 | 12 | 15 | 11 | 24 | 4 |
| 30 | MOSTLY | 9 | 9 | 10 | 12 | 20 | 14 | 23 | 5 |
| 35 | SOMEWHAT | 10 | 6 | 9 | 11 | 17 | 17 | 22 | 6 |
| 4 | NOT AT ALL | 16 | 8 | 5 | 16 | 11 | 14 | 22 | 8 |
| 3 | DK | 11 | 0 | 14 | 0 | 14 | 7 | 36 | 18 |
| | 27. SEX | | | | | | | | |
| 50 | FEMALE | 9 | 5 | 8 | 11 | 19 | 14 | 29 | 6 |
| 50 | MALE | 12 | 10 | 13 | 12 | 16 | 14 | 19 | 5 |
| | 28. EDUCATION | | | | | | | | |
| 6 | SOME GRADE | 8 | 5 | 8 | 11 | 11 | 10 | 25 | 21 |
| 8 | SOME HIGH | 4 | 8 | 8 | 9 | 15 | 16 | 35 | 6 |
| 36 | HIGH GRAD | 10 | 7 | 11 | 12 | 16 | 13 | 25 | 7 |
| 2 | TECH-VOC | 6 | 6 | 17 | 22 | 22 | 22 | 6 | 0 |
| 21 | SOME COLLEGE | 12 | 9 | 10 | 11 | 19 | 12 | 25 | 2 |
| 17 | COLLEGE GRAD | 15 | 5 | 12 | 13 | 20 | 14 | 20 | 2 |
| 9 | GRAD SCHOOL | 8 | 10 | 12 | 12 | 19 | 22 | 12 | 4 |
| 0 | DK | 25 | 0 | 25 | 25 | 0 | 25 | 0 | 0 |
| | 29. INCOME | | | | | | | | |
| 8 | $0-6999 | 10 | 4 | 14 | 5 | 16 | 8 | 35 | 8 |
| 9 | $7-9999 | 12 | 7 | 12 | 12 | 22 | 7 | 24 | 5 |
| 7 | $10-12999 | 4 | 6 | 7 | 10 | 14 | 10 | 43 | 7 |
| 7 | $13-14999 | 10 | 3 | 4 | 10 | 17 | 26 | 26 | 4 |
| 13 | $15-19999 | 11 | 12 | 10 | 7 | 18 | 19 | 19 | 4 |
| 14 | $20-24999 | 6 | 8 | 12 | 17 | 17 | 17 | 20 | 4 |
| 35 | $25000 AND OVER | 13 | 7 | 11 | 14 | 18 | 14 | 20 | 4 |
| 6 | REFUSED | 18 | 9 | 7 | 11 | 13 | 5 | 23 | 14 |
| 2 | DK | 5 | 5 | 16 | 5 | 16 | 11 | 16 | 26 |

Providing electric supply in 10 years (continued)

1. NOT DIFFICULT 2.
3. 4.
5. 6.
7. VERY DIFFICULT 8. DK

| | | Responses = 1001 | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | MARGINALS | 11 | 7 | 11 | 12 | 17 | 14 | 24 | 5 |
| | | 30.AGE | | | | | | | | |
| 17 | | 18-25 | 8 | 10 | 10 | 11 | 22 | 18 | 19 | 2 |
| 26 | | 26-35 | 8 | 5 | 12 | 15 | 18 | 18 | 22 | 2 |
| 16 | | 36-45 | 10 | 6 | 10 | 10 | 14 | 15 | 29 | 5 |
| 17 | | 46-55 | 9 | 6 | 9 | 13 | 19 | 14 | 24 | 6 |
| 11 | | 56-65 | 22 | 11 | 10 | 6 | 9 | 7 | 25 | 10 |
| 12 | | OVER 65 | 12 | 5 | 11 | 10 | 19 | 6 | 25 | 12 |
| 1 | | REFUSED | 20 | 10 | 20 | 10 | 10 | 10 | 10 | 10 |
| | | AREA | | | | | | | | |
| 14 | | NORTHEAST | 13 | 10 | 9 | 10 | 19 | 10 | 21 | 7 |
| 24 | | INDUSTRIAL | 10 | 4 | 13 | 10 | 17 | 19 | 21 | 6 |
| 13 | | MIDLANDS | 12 | 6 | 11 | 11 | 26 | 8 | 19 | 8 |
| 21 | | SOUTH | 11 | 8 | 9 | 13 | 14 | 11 | 29 | 5 |
| 14 | | CENTRAL | 11 | 10 | 10 | 15 | 12 | 14 | 22 | 6 |
| 13 | | PACIFIC | 7 | 4 | 10 | 11 | 17 | 19 | 29 | 1 |

Support for ways of providing electricity

After looking at people's views of the electricity supply problem, we tested their reactions to three possible ways of either expanding or extending electricity supplies. As the next table shows, large majorities of Americans favor both increased use of coal to generate electricity and expanded conservation efforts. The public is almost evenly split, however, about the idea of building more nuclear power plants as a way of ensuring adequate supplies of electricity.

I'm going to read you some proposals for ways of providing an adequate supply of electricity, and I'd like you to tell me whether you strongly favor, favor, oppose, or strongly oppose each one.

| | Strongly favor | Favor | Oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| Increasing our use of coal to generate electricity | 23% | 57 | 13 | 5 | 2 |
| Building more nuclear power plants to generate electricity | 15% | 32 | 29 | 21 | 2 |
| Increased conservation of electricity by individual consumers, business, and industry | 40% | 46 | 8 | 3 | 2 |

Looking at the demographic breakdowns for the nuclear power question, on which the public is most divided, we see that better educated people are somewhat more likely than less educated people to favor new reactor construction. People over age 35 are also more likely than younger people to support nuclear power. The difference between the sexes, though, is probably the most striking pattern--a majority of men favor increased reliance on nuclear power, whereas a majority of women oppose it. A complete demographic analysis follows.

I'm going to read you some proposals for ways of providing an adequate supply of electricity, and I'd like you to tell me whether you strongly favor, favor, oppose, or strongly oppose each one: building more nuclear power plants to generate electricity.

1. STRONGLY FAVOR 2. FAVOR
3. OPPOSE 4. STRONGLY OPPOSE
5. DK

| | | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| Responses = 1001 | | | | | | |
| MARGINALS | | 15 | 32 | 29 | 21 | 2 |
| | 18. PRICE BASED ON UTILITY'S COSTS | | | | | |
| 28 | TOTALLY | 17 | 33 | 29 | 19 | 1 |
| 30 | MOSTLY | 15 | 30 | 28 | 25 | 3 |
| 35 | SOMEWHAT | 13 | 35 | 29 | 20 | 3 |
| 4 | NOT AT ALL | 11 | 16 | 54 | 19 | 0 |
| 3 | DK | 18 | 29 | 21 | 21 | 11 |
| | 27. SEX | | | | | |
| 50 | FEMALE | 9 | 29 | 35 | 24 | 3 |
| 50 | MALE | 21 | 35 | 24 | 18 | 2 |
| | 28. EDUCATION | | | | | |
| 6 | SOME GRADE | 11 | 33 | 31 | 21 | 3 |
| 8 | SOME HIGH | 14 | 21 | 28 | 30 | 8 |
| 36 | HIGH GRAD | 13 | 33 | 30 | 20 | 3 |
| 2 | TECH-VOC | 17 | 17 | 50 | 17 | 0 |
| 21 | SOME COLLEGE | 18 | 31 | 29 | 21 | 1 |
| 17 | COLLEGE GRAD | 14 | 36 | 30 | 20 | 0 |
| 9 | GRAD SCHOOL | 18 | 34 | 22 | 22 | 3 |
| 0 | DK | 0 | 25 | 50 | 25 | 0 |
| | 29. INCOME | | | | | |
| 8 | $0-6999 | 14 | 35 | 33 | 16 | 1 |
| 9 | $7-9999 | 12 | 26 | 34 | 27 | 2 |
| 7 | $10-12999 | 6 | 24 | 36 | 31 | 4 |
| 7 | $13-14999 | 14 | 29 | 25 | 26 | 6 |
| 13 | $15-19999 | 14 | 30 | 27 | 28 | 2 |
| 14 | $20-24999 | 14 | 35 | 30 | 17 | 4 |
| 35 | $25000 AND OVER | 18 | 34 | 29 | 18 | 1 |
| 6 | REFUSED | 16 | 30 | 27 | 23 | 4 |
| 2 | DK | 21 | 37 | 16 | 16 | 11 |
| | 30. AGE | | | | | |
| 17 | 18-25 | 13 | 28 | 33 | 26 | 1 |
| 26 | 26-35 | 10 | 30 | 34 | 24 | 2 |
| 16 | 36-45 | 17 | 33 | 28 | 18 | 4 |
| 17 | 46-55 | 19 | 32 | 31 | 18 | 1 |
| 11 | 56-65 | 21 | 39 | 23 | 15 | 3 |
| 12 | OVER 65 | 14 | 35 | 23 | 22 | 6 |
| 1 | REFUSED | 10 | 30 | 20 | 30 | 10 |

Building more nuclear plants (continued)

1. STRONGLY FAVOR
2. FAVOR
3. OPPOSE
4. STRONGLY OPPOSE
5. DK

Responses = 1001

| | | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| MARGINALS | | 15 | 32 | 29 | 21 | 2 |
| | AREA | | | | | |
| 14 | NORTHEAST | 16 | 25 | 33 | 24 | 2 |
| 24 | INDUSTRIAL | 12 | 24 | 33 | 29 | 3 |
| 13 | MIDLANDS | 11 | 41 | 29 | 18 | 1 |
| 21 | SOUTH | 20 | 33 | 26 | 18 | 3 |
| 14 | CENTRAL | 12 | 41 | 28 | 15 | 4 |
| 13 | PACIFIC | 17 | 34 | 28 | 21 | 1 |

## Electric Utilities and Their Rates

After we had looked at the public's general views about electricity supply problems and possible solutions, we asked in our survey a series of questions that explored people's attitudes toward electric utilities. First, we asked survey participants to tell us how they evaluate their own electric utility and the fairness of the rates they pay for electricity. We then checked to see how consumers think electric rates are set and why they believe rate increases have taken place in recent years.

### Attitudes toward electric utilities

As the first table shows, most Americans rate their electric utility company favorably to some degree. Overall, 19% of the population rate their utility as bad (points 1, 2, or 3 on the scale), and 64% rate their utility as good (points 5, 6, or 7 on the scale). Fewer than one in five people give their utility the highest possible positive rating.

On a scale from "1" to "7," how would you rate your electric company overall if "1" means "very, very bad" and "7" means "very, very good"?

| Very, very bad | | | | | | Very, very good | [DON'T KNOW] |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 5% | 3 | 11 | 18 | 27 | 19 | 18 | — |
| | 19% | | | | 64 | | |

The demographic breakdowns of these ratings show few really striking patterns. Younger people tend to be slightly more favorable than older people in rating their utility, and residents of the Northeast are somewhat more critical than people living in other areas of the country. A complete demographic analysis follows.

On a scale from "1" to "7," how would you rate your electric company overall if "1" means "very, very bad" and "7" means " very, very good"?

1. VERY VERY BAD 2.
3. 4.
5. 6.
7. VERY VERY GOOD 8. DK

| | Responses = 1000 | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|---|---|---|---|---|---|---|---|---|---|
| | MARGINALS | 5 | 3 | 11 | 18 | 27 | 19 | 18 | 0 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | | | | | | |
| 28 | TOTALLY | 8 | 4 | 9 | 18 | 26 | 18 | 18 | 0 |
| 30 | MOSTLY | 3 | 2 | 13 | 22 | 26 | 18 | 16 | 1 |
| 35 | SOMEWHAT | 3 | 5 | 11 | 15 | 29 | 19 | 18 | 1 |
| 4 | NOT AT ALL | 16 | 3 | 8 | 8 | 22 | 22 | 22 | 0 |
| 3 | DK | 4 | 4 | 4 | 18 | 21 | 25 | 25 | 0 |
| | 27.SEX | | | | | | | | |
| 50 | FEMALE | 6 | 4 | 9 | 17 | 25 | 20 | 19 | 1 |
| 50 | MALE | 5 | 3 | 12 | 18 | 28 | 17 | 17 | 0 |
| | 28.EDUCATION | | | | | | | | |
| 6 | SOME GRADE | 5 | 2 | 3 | 16 | 31 | 15 | 26 | 2 |
| 8 | SOME HIGH | 8 | 0 | 4 | 14 | 23 | 25 | 26 | 1 |
| 37 | HIGH GRAD | 5 | 4 | 10 | 19 | 27 | 16 | 19 | 0 |
| 2 | TECH-VOC | 0 | 0 | 11 | 22 | 17 | 28 | 22 | 0 |
| 21 | SOME COLLEGE | 2 | 5 | 15 | 20 | 26 | 18 | 14 | 0 |
| 17 | COLLEGE GRAD | 8 | 3 | 10 | 16 | 25 | 20 | 18 | 1 |
| 9 | GRAD SCHOOL | 6 | 2 | 15 | 15 | 31 | 20 | 10 | 1 |
| 0 | DK | 25 | 0 | 0 | 0 | 25 | 50 | 0 | 0 |
| | 29.INCOME | | | | | | | | |
| 8 | $0-6999 | 6 | 4 | 5 | 18 | 19 | 23 | 25 | 0 |
| 9 | $7-9999 | 7 | 0 | 7 | 17 | 26 | 23 | 20 | 0 |
| 7 | $10-12999 | 6 | 4 | 8 | 19 | 21 | 19 | 21 | 1 |
| 7 | $13-14999 | 6 | 3 | 6 | 19 | 29 | 21 | 17 | 0 |
| 13 | $15-19999 | 5 | 3 | 11 | 19 | 25 | 16 | 20 | 0 |
| 14 | $20-24999 | 1 | 7 | 17 | 17 | 31 | 14 | 13 | 1 |
| 35 | $25000 AND OVER | 5 | 3 | 12 | 16 | 29 | 20 | 15 | 1 |
| 6 | REFUSED | 11 | 4 | 7 | 21 | 21 | 14 | 21 | 0 |
| 2 | DK | 5 | 0 | 11 | 16 | 37 | 11 | 21 | 0 |

Electric company rating (continued)

1. VERY VERY BAD 2.
3. 4.
5. 6.
7. VERY VERY GOOD 8. DK

| | Responses = 1000 | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. |
|---|---|---|---|---|---|---|---|---|---|
| | MARGINALS | 5 | 3 | 11 | 18 | 27 | 19 | 18 | 0 |
| | 30.AGE | | | | | | | | |
| 17 | 18-25 | 5 | 5 | 13 | 18 | 31 | 16 | 12 | 0 |
| 26 | 26-35 | 4 | 4 | 11 | 25 | 26 | 18 | 11 | 1 |
| 16 | 36-45 | 4 | 3 | 14 | 18 | 27 | 14 | 20 | 1 |
| 17 | 46-55 | 6 | 4 | 11 | 17 | 28 | 19 | 15 | 0 |
| 11 | 56-65 | 7 | 1 | 5 | 13 | 28 | 21 | 25 | 1 |
| 12 | OVER 65 | 6 | 2 | 6 | 8 | 20 | 26 | 33 | 0 |
| 1 | REFUSED | 0 | 0 | 10 | 0 | 20 | 50 | 20 | 0 |
| | AREA | | | | | | | | |
| 15 | NORTHEAST | 12 | 3 | 11 | 21 | 23 | 11 | 19 | 0 |
| 24 | INDUSTRIAL | 3 | 3 | 11 | 17 | 26 | 21 | 19 | 0 |
| 13 | MIDLANDS | 1 | 3 | 12 | 18 | 29 | 16 | 21 | 0 |
| 22 | SOUTH | 7 | 3 | 12 | 18 | 27 | 18 | 15 | 0 |
| 14 | CENTRAL | 3 | 7 | 9 | 15 | 28 | 21 | 15 | 1 |
| 13 | PACIFIC | 4 | 1 | 7 | 16 | 28 | 24 | 18 | 1 |

Attitudes toward electric utility rates

We began our look at popular attitudes toward electric rates by asking people to tell us how much they pay for electricity each month, on the average. As the table of results shows, most people say they generally pay less than $50 per month--with bills in the $26-to-$50 range being most common.

Approximately what is your average monthly electric bill?

| | |
|---|---|
| $0-25 | 19% |
| $26-50 | 37 |
| $51-75 | 17 |
| $76-100 | 12 |
| $101-125 | 4 |
| $126-150 | 2 |
| $151-175 | 1 |
| $176-200 | 1 |
| Over $200 | 2 |
| (Don't know) | 5 |

Even though we saw earlier that people's ratings of their electric utility follow few demographic patterns, we do find a clear relationship between how much people pay for electricity and how they rate their utility. As the next table shows, there is a steady increase in slightly unfavorable ratings as bills rise toward $100, and a sharp increase in highly negative feelings as they go over that figure.

Size of electric bills and ratings of electric utilities

| | Electric utility rating | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Very, very bad | | | | | | Very, very good | [DON'T KNOW] |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Average monthly electric bill | | | | | | | | |
| $0-25 | 4% | 4 | 8 | 19 | 23 | 21 | 21 | — |
| $26-50 | 2% | 2 | 9 | 18 | 30 | 18 | 20 | — |
| $51-75 | 7% | 6 | 14 | 17 | 27 | 15 | 14 | 1 |
| $76-100 | 4% | 3 | 16 | 19 | 26 | 20 | 11 | 1 |
| $101-125 | 21% | — | 13 | 16 | 24 | 16 | 11 | — |
| $126-150 | 10% | 10 | 10 | 10 | 24 | 19 | 19 | — |
| $151-175 | 13% | — | 13 | 13 | 25 | 13 | 25 | — |
| $176-200 | 31% | — | 23 | 15 | 15 | 8 | 8 | — |
| Over $200 | 18% | 12 | 12 | 18 | 18 | 6 | 18 | — |
| (Don't know) | —% | 2 | 4 | 15 | 29 | 27 | 21 | 2 |

Since the overall ratings people give their utility can be based on factors other than rates--for example, the quality of customer service--we specifically asked respondents to tell us whether they feel their electric bills are high, about right, or low. As the table shows, over a quarter of the population feel their bills are very high and nearly another four in ten feel their bills are somewhat high. Slightly less than a third of the population feel their bills are about right, whereas virtually no one feels their electricity bills are low.

Generally, would you say that the rates your electric company charges are very high, somewhat high, about right, somewhat low, or very low?

| | |
|---|---|
| Very high | 28% |
| Somewhat high | 38 |
| About right | 29 |
| Somewhat low | 3 |
| Very low | 1 |
| (Don't know) | 1 |

Demographic breakdowns show that lower income and less educated people are more likely than their counterparts to feel they are paying too much for electricity. Northeasterners are significantly more likely than people living in other areas of the country to feel their rates are very high. (A recent compilation of actual average electric bills in the 25 largest American cities does show that New York residents pay the highest rates in the country, whereas Boston residents pay the third highest rates, thus lending some credence to the Northeasterners' views.) A complete demographic analysis follows.

Generally, would you say that the rates your electric company charges are very high, somewhat high, about right, somewhat low, or very low?

1. VERY HIGH
2. SOMEWHAT HIGH
3. ABOUT RIGHT
4. SOMEWHAT LOW
5. VERY LOW
6. DK

| | | 1. | 2. | 3. | 4. | 5. | 6. |
|---|---|---|---|---|---|---|---|
| Responses = 1001 | | | | | | | |
| MARGINALS | | 28 | 38 | 29 | 3 | 1 | 1 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | | | | |
| 28 | TOTALLY | 31 | 32 | 32 | 2 | 1 | 1 |
| 30 | MOSTLY | 24 | 42 | 28 | 4 | 1 | 1 |
| 35 | SOMEWHAT | 25 | 41 | 30 | 2 | 1 | 1 |
| 4 | NOT AT ALL | 41 | 43 | 14 | 3 | 0 | 0 |
| 3 | DK | 43 | 11 | 43 | 0 | 0 | 4 |
| | 27.SEX | | | | | | |
| 50 | FEMALE | 34 | 35 | 27 | 2 | 1 | 1 |
| 50 | MALE | 22 | 41 | 32 | 3 | 1 | 1 |
| | 28.EDUCATION | | | | | | |
| 6 | SOME GRADE | 33 | 36 | 30 | 2 | 0 | 0 |
| 8 | SOME HIGH | 50 | 23 | 24 | 0 | 3 | 1 |
| 36 | HIGH GRAD | 29 | 38 | 28 | 4 | 1 | 1 |
| 2 | TECH-VOC | 28 | 39 | 33 | 0 | 0 | 0 |
| 21 | SOME COLLEGE | 21 | 45 | 29 | 3 | 1 | 1 |
| 17 | COLLEGE GRAD | 25 | 35 | 36 | 2 | 1 | 1 |
| 9 | GRAD SCHOOL | 21 | 43 | 29 | 4 | 0 | 2 |
| 0 | DK | 25 | 50 | 25 | 0 | 0 | 0 |
| | 29.INCOME | | | | | | |
| 8 | $0-6999 | 34 | 32 | 29 | 4 | 1 | 0 |
| 9 | $7-9999 | 43 | 22 | 35 | 0 | 0 | 0 |
| 7 | $10-12999 | 26 | 36 | 31 | 4 | 1 | 1 |
| 7 | $13-14999 | 32 | 39 | 25 | 1 | 0 | 3 |
| 13 | $15-19999 | 26 | 45 | 18 | 5 | 4 | 2 |
| 14 | $20-24999 | 20 | 42 | 34 | 3 | 1 | 0 |
| 35 | $25000 AND OVER | 24 | 40 | 32 | 3 | 1 | 1 |
| 6 | REFUSED | 32 | 39 | 25 | 0 | 0 | 4 |
| 2 | DK | 47 | 26 | 26 | 0 | 0 | 0 |
| | 30.AGE | | | | | | |
| 17 | 18-25 | 21 | 41 | 31 | 4 | 2 | 1 |
| 26 | 26-35 | 22 | 41 | 30 | 4 | 1 | 2 |
| 16 | 36-45 | 28 | 38 | 32 | 1 | 1 | 0 |
| 17 | 46-55 | 33 | 42 | 22 | 2 | 1 | 0 |
| 11 | 56-65 | 33 | 34 | 31 | 0 | 1 | 1 |
| 12 | OVER 65 | 37 | 26 | 32 | 3 | 0 | 3 |
| 1 | REFUSED | 30 | 30 | 40 | 0 | 0 | 0 |

Electric company charges (continued)

1. VERY HIGH
2. SOMEWHAT HIGH
3. ABOUT RIGHT
4. SOMEWHAT LOW
5. VERY LOW
6. DK

| | | Responses = 1001 | 1. | 2. | 3. | 4. | 5. | 6. |
|---|---|---|---|---|---|---|---|---|
| | | MARGINALS | 28 | 38 | 29 | 3 | 1 | 1 |
| | | AREA | | | | | | |
| 14 | | NORTHEAST | 41 | 36 | 22 | 1 | 0 | 0 |
| 24 | | INDUSTRIAL | 26 | 40 | 30 | 2 | 0 | 2 |
| 13 | | MIDLANDS | 24 | 40 | 29 | 4 | 2 | 2 |
| 21 | | SOUTH | 33 | 36 | 27 | 2 | 1 | 0 |
| 14 | | CENTRAL | 19 | 45 | 29 | 5 | 1 | 1 |
| 13 | | PACIFIC | 19 | 32 | 41 | 4 | 2 | 2 |

Not surprisingly, as the next table shows, there is a clear relationship between the size of people's electric bills and their views about their electric company's charges.

Size of electric bills and views about electric company charges

| | Views about electric company charges | | | | | |
|---|---|---|---|---|---|---|
| | Very high | Somewhat high | About right | Somewhat low | Very low | (Don't know) |
| Average monthly electric bill | | | | | | |
| $0-25 | 18% | 29 | 44 | 5 | 3 | 1 |
| $26-50 | 26% | 39 | 30 | 3 | 1 | 1 |
| $51-75 | 31% | 46 | 20 | 1 | 1 | 1 |
| $76-100 | 27% | 50 | 23 | 1 | — | — |
| $101-125 | 59% | 28 | 10 | 3 | — | — |
| $126-150 | 43% | 19 | 33 | 5 | — | — |
| $151-175 | 38% | — | 63 | — | — | — |
| $176-200 | 46% | 46 | — | 8 | — | — |
| Over $200 | 53% | 29 | 18 | — | — | — |
| (Don't know) | 21% | 37 | 33 | — | — | 10 |

Turning to another rate-related topic, we also asked respondents if they know whether their electric utilities set their own rates or whether they are regulated by a state commission. The table of results shows that barely half the population are aware that various state regulatory agencies do in fact determine electric utility rates.

Do you think your electric company sets its own rates, or does a state commission set the rates that your electric company charges?

| | |
|---|---|
| Electric company sets own rates | 42% |
| (Don't know) | 9 |
| State commission sets rates | 49 |

Demographic breakdowns show, as might be expected, that higher income and better educated people are more aware of state public utility commissions than their lower income and less educated counterparts. A complete demographic analysis follows.

Do you think your electric company sets its own rates, or does a state commission set the rates that your electric company charges?

1. ELECTRIC COMPANY 2. DK
3. STATE COMMISSION

| | | Responses = 998 | 1. | 2. | 3. |
|---|---|---|---|---|---|
| | | MARGINALS | 42 | 9 | 49 |
| | | 18. PRICE BASED ON UTILITY'S COSTS | | | |
| 28 | | TOTALLY | 45 | 6 | 49 |
| 30 | | MOSTLY | 39 | 9 | 51 |
| 35 | | SOMEWHAT | 40 | 10 | 50 |
| 4 | | NOT AT ALL | 49 | 11 | 41 |
| 3 | | DK | 46 | 25 | 29 |
| | | 27. SEX | | | |
| 50 | | FEMALE | 45 | 12 | 43 |
| 50 | | MALE | 38 | 7 | 55 |
| | | 28. EDUCATION | | | |
| 6 | | SOME GRADE | 51 | 18 | 31 |
| 8 | | SOME HIGH | 45 | 13 | 43 |
| 36 | | HIGH GRAD | 42 | 11 | 47 |
| 2 | | TECH-VOC | 44 | 0 | 56 |
| 21 | | SOME COLLEGE | 39 | 6 | 55 |
| 17 | | COLLEGE GRAD | 42 | 7 | 51 |
| 9 | | GRAD SCHOOL | 39 | 3 | 58 |
| 0 | | DK | 50 | 25 | 25 |
| | | 29. INCOME | | | |
| 8 | | $0-6999 | 52 | 22 | 27 |
| 9 | | $7-9999 | 52 | 9 | 39 |
| 7 | | $10-12999 | 44 | 11 | 44 |
| 7 | | $13-14999 | 47 | 8 | 44 |
| 13 | | $15-19999 | 38 | 8 | 54 |
| 14 | | $20-24999 | 36 | 7 | 57 |
| 35 | | $25000 AND OVER | 38 | 6 | 56 |
| 6 | | REFUSED | 46 | 13 | 41 |
| 2 | | DK | 37 | 32 | 32 |
| | | 30. AGE | | | |
| 17 | | 18-25 | 43 | 7 | 51 |
| 26 | | 26-35 | 45 | 9 | 47 |
| 16 | | 36-45 | 44 | 9 | 47 |
| 17 | | 46-55 | 45 | 8 | 48 |
| 11 | | 56-65 | 33 | 12 | 55 |
| 12 | | OVER 65 | 34 | 14 | 52 |
| 1 | | REFUSED | 40 | 10 | 50 |

Who sets electric company rates (continued)

1. ELECTRIC COMPANY
2. DK
3. STATE COMMISSION

| | | 1. | 2. | 3. |
|---|---|---|---|---|
| Responses = 998 | | | | |
| MARGINALS | | 42 | 9 | 49 |
| | AREA | | | |
| 15 | NORTHEAST | 43 | 8 | 49 |
| 24 | INDUSTRIAL | 46 | 10 | 44 |
| 13 | MIDLANDS | 40 | 8 | 52 |
| 22 | SOUTH | 45 | 10 | 46 |
| 14 | CENTRAL | 31 | 12 | 56 |
| 13 | PACIFIC | 39 | 7 | 54 |

Why are electric rates increasing?

Assuming that virtually everyone would agree that electricity prices have gone up in the last 15 years, we asked our sample to tell us whether electric rates have gone up faster or slower in price than most other kinds of purchases. As the table shows, more than a two-to-one majority feel electricity prices have not been rising as fast as the prices of most other things.

Which do you think has gone up more since 1967—the cost of electricity or the cost of most other things?

| | |
|---|---|
| Cost of electricity | 29% |
| (Don't know) | 6 |
| Cost of most other things | 65 |

Demographic breakdowns show that older people are somewhat more likely than younger people to feel that electricity costs have been rising faster than the general cost of living--though majorities in all age groups still take the opposite view. A complete demographic analysis follows.

Which do you think has gone up more since 1967--the cost of electricity or the cost of most other things?

1. COST OF ELECTRICITY 2. DK
3. COST OF OTHERS

| | | Responses = 998 | 1. | 2. | 3. |
|---|---|---|---|---|---|
| | | MARGINALS | 29 | 6 | 65 |
| | | 18.PRICE BASED ON UTILITY'S COSTS | | | |
| 28 | | TOTALLY | 28 | 3 | 69 |
| 30 | | MOSTLY | 25 | 7 | 68 |
| 35 | | SOMEWHAT | 31 | 7 | 62 |
| 4 | | NOT AT ALL | 46 | 5 | 49 |
| 3 | | DK | 32 | 14 | 54 |
| | | 27.SEX | | | |
| 50 | | FEMALE | 32 | 7 | 61 |
| 50 | | MALE | 26 | 5 | 69 |
| | | 28.EDUCATION | | | |
| 6 | | SOME GRADE | 26 | 3 | 70 |
| 8 | | SOME HIGH | 40 | 8 | 53 |
| 37 | | HIGH GRAD | 29 | 5 | 65 |
| 2 | | TECH-VOC | 39 | 0 | 61 |
| 21 | | SOME COLLEGE | 27 | 4 | 69 |
| 17 | | COLLEGE GRAD | 26 | 10 | 64 |
| 9 | | GRAD SCHOOL | 31 | 3 | 65 |
| 0 | | DK | 25 | 0 | 75 |
| | | 29.INCOME | | | |
| 8 | | $0-6999 | 33 | 4 | 63 |
| 9 | | $7-9999 | 40 | 7 | 53 |
| 7 | | $10-12999 | 33 | 0 | 67 |
| 7 | | $13-14999 | 21 | 7 | 72 |
| 13 | | $15-19999 | 32 | 3 | 65 |
| 14 | | $20-24999 | 24 | 7 | 69 |
| 35 | | $25000 AND OVER | 27 | 5 | 68 |
| 6 | | REFUSED | 34 | 16 | 50 |
| 2 | | DK | 26 | 21 | 53 |
| | | 30.AGE | | | |
| 17 | | 18-25 | 25 | 3 | 72 |
| 26 | | 26-35 | 23 | 5 | 72 |
| 16 | | 36-45 | 33 | 9 | 58 |
| 17 | | 46-55 | 32 | 6 | 62 |
| 11 | | 56-65 | 33 | 6 | 61 |
| 12 | | OVER 65 | 38 | 4 | 58 |
| 1 | | REFUSED | 20 | 10 | 70 |

Which gone up more since 1967 (continued)

1. COST OF ELECTRICITY 2. DK
3. COST OF OTHERS

| | | 1. | 2. | 3. |
|---|---|---|---|---|
| Responses = 998 | | | | |
| MARGINALS | | 29 | 6 | 65 |
| | AREA | | | |
| 14 | NORTHEAST | 32 | 3 | 65 |
| 24 | INDUSTRIAL | 23 | 7 | 71 |
| 13 | MIDLANDS | 20 | 6 | 73 |
| 21 | SOUTH | 38 | 8 | 54 |
| 14 | CENTRAL | 36 | 1 | 62 |
| 13 | PACIFIC | 24 | 7 | 69 |

We next asked respondents to rate the importance of a number of factors often cited by observers of the electric utility industry as possible causes of rising electric rates. As the table shows, every one of the factors we asked about is considered at least somewhat important by a huge majority of Americans. Increased fuel costs are seen as the greatest contributor to rising rates, with over half the population assigning them a "very important" rating. Next--essentially tied for second place--come the costs of meeting government regulations, the slow pace of conversion to coal, dependence on foreign oil, and the cost of pollution control, each given the highest importance ratings by just under half the population. The slow pace of nuclear power plant construction ranks lowest in terms of perceived importance as a cause of rising electric utility rates.

Here are reasons some people give for the rise in electricity prices during the last 5 years or so. Please tell me if you think each of these is a very important, somewhat important, not very important, or not at all important reason for rising electricity prices.

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| Increased costs of fuel to generate electricity | 54% | 38 | 5 | 2 | 1 |
| Dependence on imported oil as a fuel for generating electricity | 46% | 31 | 15 | 7 | 1 |
| The time it takes to meet environmental and health and safety regulations that are required by the government before a new power plant can be built | 47% | 35 | 12 | 5 | 2 |

Reasons some people give for the rise in electricity prices during the last 5 years or so (continued)

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| The cost of controlling and decreasing air and water pollution caused by power plants | 45% | 35 | 15 | 3 | 2 |
| The slowdown in constructing nuclear power plants | 33% | 33 | 23 | 7 | 4 |
| The slow pace of conversion to greater use of coal to generate electricity | 46% | 35 | 13 | 4 | 3 |

Does electricity provide good value?

To close our examination of attitudes toward current electric rates, we repeated our earlier question about electricity pricing, this time including reference to "all the benefits" people receive from using electricity in their daily lives. As the table of responses shows, the results are similar to those we saw earlier, before any mention of the value received in return for the price of electricity and before we had asked the respondents to rate the various possible causes of rising electric rates. About two-thirds of the population still feel electric rates are high, even given the new wording of our question, while another third feel current rates are about right. Again, virtually no one feels their electricity charges are low.

Considering all the different ways you use electricity in your daily life and the benefits you receive for what you pay for electricity, do you feel that the rates your electric company charges are very high, somewhat high, about right, somewhat low, or very low?

| | |
|---|---|
| Very high | 22% |
| Somewhat high | 44 |
| About right | 30 |
| Somewhat low | 3 |
| Very low | 1 |
| (Don't know) | 1 |

As the crosstabulation below indicates, most people who took a given position on the earlier rate question stuck with it on this subsequent question, which referred to the benefits received from electricity. This would indicate that people's views about their electric utility's rates are firmly held.

Comparison of rate evaluations

| | Evaluation of electric rates considering benefits | | | | | |
|---|---|---|---|---|---|---|
| Evaluation of electric rates | Very high | Somewhat high | About right | Somewhat low | Very low | (Don't know) |
| Very high | 64% | 32 | 4 | — | — | 1 |
| Somewhat high | 9 | 76 | 13 | 2 | — | — |
| About right | 1 | 19 | 74 | 4 | 1 | — |

## Utility Rate Issues

In this section we explore two interrelated topics: people's attitudes toward the concept of cost-of-service electric utility pricing and their views about the linkage between electric utility rates, consumer prices, and industrial growth. As we will see, opinions about cost-of-service pricing tend to vacillate, but the concept does win majority support to the extent that people accept the idea that cost-of-service electric rates for industry might benefit the public as a whole.

### Contradictory attitudes toward cost-of-service pricing

We began our inquiry into the subject of cost-of-service pricing with a very general question that simply asked people how much relationship they feel there should be between the cost of delivering electricity and the price charged for it. As the table shows, only about a quarter of the population feel that cost should be the total basis for pricing though nearly another third feel it should form most of the basis. Interestingly, nearly two out of every five Americans feel cost should be at most only somewhat of a factor in price setting.

Just in general, do you feel that the price of electricity to a consumer should be based totally, mostly, somewhat, or not at all on what it actually costs an electric utility to supply electricity to that consumer?

| | |
|---|---|
| Totally | 28% |
| Mostly | 30 |
| Somewhat | 35 |
| Not at all | 4 |
| (Don't know) | 3 |

Demographic breakdowns show few clear patterns. Residents of the South and Pacific areas are slightly more inclined than people living in other areas to feel that electricity pricing should be based on the cost to the utility, but the differences are relatively small. A complete demographic analysis follows.

Just in general, do you feel that the price of electricity to a consumer should be based totally, mostly, somewhat, or not at all on what it actually costs an electric utility to supply electricity to that consumer?

1. TOTALLY 2. MOSTLY
3. SOMEWHAT 4. NOT AT ALL
5. DK

| | Responses = 1000 | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| | MARGINALS | 28 | 30 | 35 | 4 | 3 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | | | |
| 28 | TOTALLY | 100 | 0 | 0 | 0 | 0 |
| 30 | MOSTLY | 0 | 100 | 0 | 0 | 0 |
| 35 | SOMEWHAT | 0 | 0 | 100 | 0 | 0 |
| 4 | NOT AT ALL | 0 | 0 | 0 | 100 | 0 |
| 3 | DK | 0 | 0 | 0 | 0 | 100 |
| | 27.SEX | | | | | |
| 50 | FEMALE | 27 | 31 | 37 | 3 | 2 |
| 50 | MALE | 30 | 29 | 33 | 5 | 3 |
| | 28.EDUCATION | | | | | |
| 6 | SOME GRADE | 31 | 26 | 30 | 3 | 10 |
| 8 | SOME HIGH | 29 | 24 | 34 | 6 | 6 |
| 37 | HIGH GRAD | 28 | 28 | 38 | 4 | 2 |
| 2 | TECH-VOC | 44 | 28 | 22 | 0 | 6 |
| 21 | SOME COLLEGE | 26 | 34 | 34 | 3 | 3 |
| 17 | COLLEGE GRAD | 32 | 29 | 36 | 2 | 1 |
| 9 | GRAD SCHOOL | 26 | 38 | 31 | 3 | 2 |
| 0 | DK | 0 | 50 | 25 | 25 | 0 |
| | 29.INCOME | | | | | |
| 8 | $0-6999 | 25 | 24 | 41 | 5 | 5 |
| 9 | $7-9999 | 28 | 32 | 35 | 1 | 4 |
| 7 | $10-12999 | 25 | 32 | 38 | 4 | 1 |
| 7 | $13-14999 | 22 | 29 | 46 | 3 | 0 |
| 13 | $15-19999 | 31 | 33 | 33 | 2 | 2 |
| 14 | $20-24999 | 28 | 33 | 33 | 3 | 3 |
| 35 | $25000 AND OVER | 32 | 30 | 33 | 4 | 1 |
| 6 | REFUSED | 20 | 29 | 30 | 9 | 13 |
| 2 | DK | 21 | 21 | 37 | 11 | 11 |
| | 30.AGE | | | | | |
| 17 | 18-25 | 26 | 34 | 36 | 4 | 1 |
| 26 | 26-35 | 26 | 34 | 35 | 4 | 0 |
| 16 | 36-45 | 30 | 26 | 37 | 2 | 5 |
| 17 | 46-55 | 32 | 24 | 37 | 5 | 2 |
| 11 | 56-65 | 36 | 26 | 31 | 4 | 4 |
| 12 | OVER 65 | 22 | 34 | 34 | 3 | 8 |
| 1 | REFUSED | 40 | 30 | 10 | 10 | 10 |

Price based on utility's costs (continued)

1. TOTALLY
2. MOSTLY
3. SOMEWHAT
4. NOT AT ALL
5. DK

| Responses = 1000 | | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| MARGINALS | | 28 | 30 | 35 | 4 | 3 |
| | AREA | | | | | |
| 15 | NORTHEAST | 30 | 24 | 37 | 5 | 4 |
| 24 | INDUSTRIAL | 29 | 26 | 39 | 3 | 2 |
| 13 | MIDLANDS | 20 | 39 | 37 | 2 | 2 |
| 22 | SOUTH | 35 | 30 | 30 | 3 | 2 |
| 14 | CENTRAL | 23 | 31 | 36 | 6 | 4 |
| 13 | PACIFIC | 29 | 36 | 28 | 4 | 2 |

Contradictions begin to emerge, however, when we ask people about one of the controversial issues raised by cost-of-service pricing--whether large industrial users, who cost less to service than residential users, should be charged less for electricity. As the table shows, a large majority of Americans say all customers--residential and industrial alike--should be charged the same unit price, rather than a price based on cost-of-service. Only about a third of the population support the idea of charging a lower price to industrial users who cost less to supply.

In many parts of the United States industries that use a lot of electricity pay less than residential electricity users for each unit of electricity they use. Some say it is fair that industrial users pay less for each unit of electricity because it actually costs less to produce, transmit, and maintain this high-volume, high-voltage electrical service to industrial users than to provide electricity to residential users. Others say this is not fair. Even if it costs less to provide their service, they say industrial users should still pay the same rates as residential users because they can afford higher electricity rates more than residential users can. Assuming that it actually does cost less to provide electricity to industrial users, would you favor a system of charging industrial users less, or would you favor charging industrial and residential users the same amount for each unit of electricity they use?

| | |
|---|---|
| Favor system of charging industrial users less | 35% |
| (Don't know) | 2 |
| Favor charging all users same amount for each unit of electricity | 63 |

Demographic breakdowns show that higher income and better educated people are somewhat more inclined than their counterparts to back the idea of charging industrial customers less than residential customers for electricity. Men are also slightly more likely than women to take this position. A complete demographic analysis follows.

In many parts of the United States industries that use a lot of electricity pay less than residential electricity users for each unit of electricity they use. Some say it is fair that industrial users pay less for each unit of electricity because it actually costs less to produce, transmit, and maintain this high volume, high voltage electrical service to industrial users than to provide electricity to residential users. Others say this is not fair. Even if it costs less to provide their service, they say industrial users should still pay the same rates as residential users because they can afford higher electricity rates more than residential users can. Assuming that it actually does cost less to provide electricity to industrial users, would you favor a system of charging industrial users less or would you favor charging industrial and residential users the same amount for each unit of electricity they use?

1. CHARGE IND LESS 2. DK
3. CHARGE ALL SAME

| | | 1. | 2. | 3. |
|---|---|---|---|---|
| Responses = 1000 | | | | |
| MARGINALS | | 35 | 2 | 63 |
| | 18. PRICE BASED ON UTILITY'S COSTS | | | |
| 28 | TOTALLY | 36 | 0 | 64 |
| 30 | MOSTLY | 38 | 1 | 60 |
| 35 | SOMEWHAT | 31 | 4 | 66 |
| 4 | NOT AT ALL | 35 | 0 | 65 |
| 3 | DK | 21 | 21 | 57 |
| | 27. SEX | | | |
| 50 | FEMALE | 30 | 2 | 68 |
| 50 | MALE | 39 | 2 | 58 |
| | 28. EDUCATION | | | |
| 6 | SOME GRADE | 20 | 7 | 74 |
| 8 | SOME HIGH | 20 | 1 | 79 |
| 37 | HIGH GRAD | 27 | 2 | 71 |
| 2 | TECH-VOC | 28 | 0 | 72 |
| 21 | SOME COLLEGE | 42 | 1 | 56 |
| 17 | COLLEGE GRAD | 45 | 3 | 52 |
| 9 | GRAD SCHOOL | 51 | 1 | 48 |
| 0 | DK | 50 | 0 | 50 |
| | 29. INCOME | | | |
| 8 | $0-6999 | 14 | 4 | 82 |
| 9 | $7-9999 | 33 | 0 | 67 |
| 7 | $10-12999 | 31 | 1 | 68 |
| 7 | $13-14999 | 24 | 1 | 75 |
| 13 | $15-19999 | 31 | 2 | 68 |
| 14 | $20-24999 | 33 | 3 | 64 |
| 35 | $25000 AND OVER | 47 | 2 | 51 |
| 6 | REFUSED | 27 | 5 | 68 |
| 2 | DK | 21 | 11 | 68 |

Which system for industrial users (continued)

1. CHARGE IND LESS
2. DK
3. CHARGE ALL SAME

| | Responses = 1000 | 1. | 2. | 3. |
|---|---|---|---|---|
| | MARGINALS | 35 | 2 | 63 |
| | 30.AGE | | | |
| 17 | 18-25 | 34 | 0 | 66 |
| 26 | 26-35 | 32 | 3 | 65 |
| 16 | 36-45 | 39 | 2 | 59 |
| 17 | 46-55 | 36 | 3 | 61 |
| 11 | 56-65 | 36 | 1 | 63 |
| 12 | OVER 65 | 32 | 5 | 63 |
| 1 | REFUSED | 30 | 0 | 70 |
| | AREA | | | |
| 15 | NORTHEAST | 30 | 4 | 66 |
| 24 | INDUSTRIAL | 30 | 3 | 67 |
| 13 | MIDLANDS | 46 | 1 | 53 |
| 22 | SOUTH | 32 | 2 | 66 |
| 14 | CENTRAL | 37 | 0 | 63 |
| 13 | PACIFIC | 38 | 2 | 60 |

Interestingly, the change in attitudes between the last two questions is even stronger than the overall numbers make it appear. As the next table shows, there is virtually no relationship between people's general attitudes toward cost-of-service pricing and their specific attitudes about having a pricing differential between industrial and residential customers.

Views about cost-of-service pricing and industrial electricity rates

| | Preferred pricing system | | |
|---|---|---|---|
| | Charge industry less | (Don't know) | Charge all users the same |
| How much should pricing be based on cost of service? | | | |
| Totally | 36% | — | 64 |
| Mostly | 38% | 1 | 60 |
| Somewhat | 31% | 4 | 66 |
| Not at all | 35% | — | 65 |

The public's opposition to price differentials holds firm when we ask about it in another context--lower prices for lower income people. As the next table shows, a large, nearly two-to-one majority come out against the idea of giving low-income people a break on electricity prices.

Do you think that poorer people should pay less for the electricity they use or do you think that they should pay the same rates as other users?

| | |
|---|---|
| Pay less | 33% |
| (Don't know) | 2 |
| Pay the same | 64 |

Demographic breakdowns show that lower income and less educated people are the groups most likely to favor this proposal. Residents of the Northeast are also more supportive of the idea than are people living in other sections of the country. A complete demographic analysis follows.

Do you think that poorer people should pay less for the electricity they use or do you think that they should pay the same rates as other users?

1. PAY LESS 2. DK
3. PAY THE SAME

| | Responses = 1001 | 1. | 2. | 3. |
|---|---|---|---|---|
| | MARGINALS | 33 | 2 | 64 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | |
| 28 | TOTALLY | 27 | 2 | 70 |
| 30 | MOSTLY | 32 | 4 | 64 |
| 35 | SOMEWHAT | 37 | 1 | 62 |
| 4 | NOT AT ALL | 46 | 0 | 54 |
| 3 | DK | 36 | 4 | 61 |
| | 27.SEX | | | |
| 50 | FEMALE | 34 | 3 | 63 |
| 50 | MALE | 32 | 2 | 65 |
| | 28.EDUCATION | | | |
| 6 | SOME GRADE | 51 | 3 | 46 |
| 8 | SOME HIGH | 49 | 5 | 46 |
| 36 | HIGH GRAD | 36 | 3 | 61 |
| 2 | TECH-VOC | 39 | 0 | 61 |
| 21 | SOME COLLEGE | 32 | 1 | 67 |
| 17 | COLLEGE GRAD | 21 | 2 | 77 |
| 9 | GRAD SCHOOL | 21 | 4 | 74 |
| 0 | DK | 0 | 0 | 100 |
| | 29.INCOME | | | |
| 8 | $0-6999 | 46 | 8 | 47 |
| 9 | $7-9999 | 51 | 1 | 48 |
| 7 | $10-12999 | 40 | 1 | 58 |
| 7 | $13-14999 | 35 | 3 | 63 |
| 13 | $15-19999 | 39 | 2 | 60 |
| 14 | $20-24999 | 28 | 3 | 69 |
| 35 | $25000 AND OVER | 26 | 2 | 72 |
| 6 | REFUSED | 20 | 2 | 79 |
| 2 | DK | 32 | 11 | 58 |
| | 30.AGE | | | |
| 17 | 18-25 | 36 | 1 | 63 |
| 26 | 26-35 | 30 | 1 | 69 |
| 16 | 36-45 | 30 | 1 | 68 |
| 17 | 46-55 | 36 | 4 | 60 |
| 11 | 56-65 | 36 | 2 | 62 |
| 12 | OVER 65 | 32 | 8 | 60 |
| 1 | REFUSED | 20 | 0 | 80 |

Poorer people pay for electricity (continued)

1. PAY LESS 2. DK
3. PAY THE SAME

| | | 1. | 2. | 3. |
|---|---|---|---|---|
| Responses = 1001 | | | | |
| MARGINALS | | 33 | 2 | 64 |
| | AREA | | | |
| 14 | NORTHEAST | 40 | 3 | 57 |
| 24 | INDUSTRIAL | 34 | 2 | 64 |
| 13 | MIDLANDS | 33 | 3 | 64 |
| 21 | SOUTH | 33 | 1 | 66 |
| 14 | CENTRAL | 30 | 2 | 68 |
| 13 | PACIFIC | 28 | 4 | 67 |

One alternative to charging lower income people less for electricity would be a more traditional welfare-style program, in which the government would subsidize basic electric service for poorer people. The next table shows that, notwithstanding the conservative trend that many observers see emerging in the United States, this idea wins majority approval.

It has been proposed that the government help poorer people pay for a certain basic amount of electricity. Would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose such a program?

| | |
|---|---|
| Strongly favor | 26% |
| Somewhat favor | 34 |
| Somewhat oppose | 20 |
| Strongly oppose | 19 |
| (Don't know) | 1 |

Demographic breakdowns again show that lower income and less educated people--those who would benefit from the proposal--are also the most supportive of it. A complete demographic analysis follows.

It has been proposed that the government help poorer people pay for a certain basic amount of electricity. Would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose such a program?

1. STRONGLY FAVOR 2. FAVOR
3. OPPOSE 4. STRONGLY OPPOSE
5. DK

| | Responses = 1001 | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| | MARGINALS | 26 | 34 | 20 | 19 | 1 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | | | |
| 28 | TOTALLY | 27 | 31 | 16 | 24 | 2 |
| 30 | MOSTLY | 22 | 36 | 25 | 17 | 0 |
| 35 | SOMEWHAT | 26 | 36 | 22 | 15 | 1 |
| 4 | NOT AT ALL | 41 | 27 | 14 | 19 | 0 |
| 3 | DK | 25 | 18 | 11 | 32 | 14 |
| | 27.SEX | | | | | |
| 50 | FEMALE | 26 | 37 | 18 | 17 | 2 |
| 50 | MALE | 26 | 31 | 22 | 20 | 1 |
| | 28.EDUCATION | | | | | |
| 6 | SOME GRADE | 49 | 20 | 11 | 20 | 0 |
| 8 | SOME HIGH | 43 | 33 | 10 | 11 | 4 |
| 36 | HIGH GRAD | 28 | 36 | 18 | 16 | 2 |
| 2 | TECH-VOC | 11 | 39 | 28 | 22 | 0 |
| 21 | SOME COLLEGE | 18 | 36 | 26 | 19 | 0 |
| 17 | COLLEGE GRAD | 24 | 33 | 18 | 24 | 1 |
| 9 | GRAD SCHOOL | 11 | 31 | 30 | 24 | 3 |
| 0 | DK | 0 | 50 | 25 | 0 | 25 |
| | 29.INCOME | | | | | |
| 8 | $0-6999 | 51 | 24 | 16 | 9 | 0 |
| 9 | $7-9999 | 45 | 28 | 12 | 14 | 1 |
| 7 | $10-12999 | 33 | 38 | 15 | 14 | 0 |
| 7 | $13-14999 | 21 | 40 | 25 | 14 | 0 |
| 13 | $15-19999 | 27 | 30 | 24 | 19 | 0 |
| 14 | $20-24999 | 20 | 41 | 21 | 14 | 4 |
| 35 | $25000 AND OVER | 16 | 37 | 22 | 24 | 0 |
| 6 | REFUSED | 25 | 23 | 18 | 27 | 7 |
| 2 | DK | 37 | 16 | 11 | 21 | 16 |
| | 30.AGE | | | | | |
| 17 | 18-25 | 22 | 36 | 28 | 11 | 2 |
| 26 | 26-35 | 25 | 37 | 21 | 16 | 0 |
| 16 | 36-45 | 20 | 34 | 24 | 22 | 1 |
| 17 | 46-55 | 26 | 33 | 14 | 26 | 1 |
| 11 | 56-65 | 32 | 28 | 20 | 20 | 1 |
| 12 | OVER 65 | 33 | 32 | 13 | 18 | 3 |
| 1 | REFUSED | 20 | 10 | 20 | 30 | 20 |

Program to help poorer pay (continued)

1. STRONGLY FAVOR
2. FAVOR
3. OPPOSE
4. STRONGLY OPPOSE
5. DK

| | | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| Responses = 1001 | | | | | | |
| MARGINALS | | 26 | 34 | 20 | 19 | 1 |
| | AREA | | | | | |
| 14 | NORTHEAST | 28 | 35 | 20 | 16 | 1 |
| 24 | INDUSTRIAL | 28 | 33 | 21 | 17 | 1 |
| 13 | MIDLANDS | 22 | 37 | 23 | 16 | 2 |
| 21 | SOUTH | 27 | 31 | 17 | 24 | 2 |
| 14 | CENTRAL | 26 | 36 | 20 | 17 | 2 |
| 13 | PACIFIC | 22 | 34 | 22 | 22 | 1 |

The costs of electricity for industry: who pays, who benefits?

As we have just seen, support for the general principle of cost-of-service pricing breaks down when respondents are told that in many parts of the country the per unit cost of electricity to industry is lower than for residential customers. Therefore, it is important to examine in more detail the relationships people see among utility rates, consumer prices, and industrial growth.

First of all, the responses to our next question show most people believe that the electricity rates paid by industry have at least some impact on the prices consumers pay.

How much effect do you think the electricity rates paid by industry have on the prices they charge consumers for the products they make? Do you feel that industrial electricity rates have a large effect on the prices paid by consumers for products and services, some effect, hardly any effect, or no effect at all?

| | |
|---|---|
| A large effect | 25% |
| Some effect | 55 |
| Hardly any effect | 11 |
| No effect at all | 6 |
| (Don't know) | 2 |

In response to our next question, which includes the statement that higher electricity rates for industry will simply be passed on to consumers, a majority come out against such increases in industrial utility rates. Interestingly, however, four out of ten Americans express support for raising industrial utility rates even if those added costs are passed on in higher consumer prices.

Some people say that making industrial users pay more for their electricity will help hold down electricity rates for residential consumers. Others say that while raising rates for industrial users may hold down residential electricity rates, consumers won't gain anything in the long run because higher industrial rates will ultimately just be passed along to consumers in the form of higher prices for products and services. Would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose raising industrial electrical rates if in fact this did lead to increased prices for the goods and services industries produce?

| | |
|---|---|
| Strongly favor | 12% |
| Somewhat favor | 27 |
| Somewhat oppose | 29 |
| Strongly oppose | 30 |
| (Don't know) | 3 |

Demographic breakdowns show that lower income and less educated people are somewhat more strongly in favor of raising industrial rates under these conditions than are their counterparts. A full demographic breakdown follows.

Some people say that making industrial users pay more for their electricity will help hold down electricity rates for residential consumers. Others say that while raising rates for industrial users may hold down residential electricity rates, consumers won't gain anything in the long run because higher industrial rates will ultimately just be passed along to consumers in the form of higher prices for products and services. Would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose raising industrial electrical rates if in fact this did lead to increased prices for the goods and services industries produce?

1. STRONGLY FAVOR 2. FAVOR
3. OPPOSE 4. STRONGLY OPPOSE
5. DK

| | | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| Responses = 1000 | | | | | | |
| MARGINALS | | 12 | 27 | 29 | 30 | 3 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | | | |
| 28 | TOTALLY | 14 | 26 | 23 | 36 | 1 |
| 30 | MOSTLY | 12 | 25 | 32 | 28 | 3 |
| 35 | SOMEWHAT | 9 | 30 | 32 | 25 | 3 |
| 4 | NOT AT ALL | 11 | 19 | 17 | 47 | 6 |
| 3 | DK | 11 | 21 | 25 | 29 | 14 |
| | 27.SEX | | | | | |
| 50 | FEMALE | 12 | 27 | 30 | 28 | 3 |
| 50 | MALE | 11 | 27 | 27 | 32 | 3 |
| | 28.EDUCATION | | | | | |
| 6 | SOME GRADE | 15 | 30 | 18 | 28 | 10 |
| 8 | SOME HIGH | 10 | 31 | 20 | 31 | 8 |
| 36 | HIGH GRAD | 10 | 31 | 29 | 27 | 2 |
| 2 | TECH-VOC | 6 | 22 | 28 | 44 | 0 |
| 21 | SOME COLLEGE | 13 | 23 | 34 | 28 | 1 |
| 17 | COLLEGE GRAD | 16 | 21 | 27 | 33 | 2 |
| 9 | GRAD SCHOOL | 10 | 22 | 32 | 33 | 2 |
| 0 | DK | 0 | 0 | 0 | 100 | 0 |
| | 29.INCOME | | | | | |
| 8 | $0-6999 | 20 | 19 | 25 | 27 | 9 |
| 9 | $7-9999 | 10 | 24 | 29 | 35 | 1 |
| 7 | $10-12999 | 11 | 40 | 22 | 24 | 3 |
| 7 | $13-14999 | 17 | 22 | 26 | 33 | 1 |
| 13 | $15-19999 | 11 | 31 | 28 | 27 | 2 |
| 14 | $20-24999 | 14 | 29 | 33 | 22 | 3 |
| 35 | $25000 AND OVER | 8 | 25 | 30 | 35 | 2 |
| 6 | REFUSED | 20 | 25 | 25 | 21 | 9 |
| 2 | DK | 0 | 21 | 32 | 42 | 5 |
| | 30.AGE | | | | | |
| 17 | 18-25 | 8 | 27 | 31 | 33 | 2 |
| 26 | 26-35 | 12 | 33 | 30 | 25 | 0 |
| 16 | 36-45 | 16 | 23 | 29 | 29 | 2 |
| 17 | 46-55 | 8 | 26 | 25 | 36 | 5 |
| 11 | 56-65 | 16 | 20 | 31 | 32 | 2 |
| 12 | OVER 65 | 11 | 26 | 27 | 27 | 9 |
| 1 | REFUSED | 20 | 20 | 0 | 40 | 20 |

Raise industrial rate-increased price (continued)

1. STRONGLY FAVOR
2. FAVOR
3. OPPOSE
4. STRONGLY OPPOSE
5. DK

| | | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| Responses = 1000 | | | | | | |
| MARGINALS | | 12 | 27 | 29 | 30 | 3 |
| | AREA | | | | | |
| 15 | NORTHEAST | 17 | 23 | 20 | 36 | 4 |
| 24 | INDUSTRIAL | 11 | 25 | 31 | 31 | 2 |
| 13 | MIDLANDS | 8 | 27 | 26 | 35 | 4 |
| 22 | SOUTH | 13 | 29 | 26 | 31 | 1 |
| 14 | CENTRAL | 8 | 29 | 35 | 23 | 4 |
| 13 | PACIFIC | 13 | 27 | 34 | 22 | 3 |

Still another aspect of the industrial electric rate issue arises from the fact that rates are set at the state level rather than at the federal level. A state that raises electricity rates for industry runs the risk that business will move to a state with lower rates or that outside business will be discouraged from moving in.

We approached this issue by asking our respondents how much attention they think industry pays to electricity rates in making decisions about where to locate. As the next table shows, most people feel businesses pay at least some attention to electricity rates in decisions of this kind--assuming other costs to be roughly equal.

Let's say a company is deciding where to build a new factory and has two or three different areas or regions under consideration. Assuming all other costs are relatively equal, do you think the company pays a lot of attention, as they make their plant location decision, to what the electric rates are in each location, some attention, only a little attention, or no attention at all?

| | |
|---|---|
| A lot of attention | 28% |
| Some attention | 44 |
| Only a little attention | 15 |
| No attention at all | 12 |
| (Don't know) | 1 |

Given this belief, we asked our sample whether they would favor raising industrial electricity rates if this would in fact hurt the potential for new jobs and industry in their area. Not surprisingly, most people, almost six out of ten, reject the idea of higher rates in this context. Again, though, it is interesting that four out of every ten people support raising industrial electricity rates despite the risks of unemployement and factory relocation.

Thinking about this area—would you favor or oppose having industrial users of electricity pay more than it costs to supply them with the electricity they use—thus holding down the increase in residential rates--if this meant that some companies and factories would not expand their operations and increase jobs in this area or might actually move to other areas that have lower industrial electricity rates?

| | |
|---|---|
| Favor | 37% |
| (Don't know) | 4 |
| Oppose | 59 |

Although the demographic breakdowns for this question reveal few clear patterns, a complete analysis of them follows.

Thinking about this area--would you favor or oppose having industrial users of electricity pay more than it costs to supply them with the electricity they use--thus holding down the increase in residential rates--if this meant that some companies and factories would not expand their operations and increase jobs in this area or might actually move to other areas that have lower industrial electricity rates?

1. FAVOR 2. DK
3. OPPOSE

| | | 1. | 2. | 3. |
|---|---|---|---|---|
| Responses = 998 | | | | |
| MARGINALS | | 37 | 4 | 59 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | |
| 28 | TOTALLY | 38 | 2 | 60 |
| 30 | MOSTLY | 34 | 3 | 63 |
| 35 | SOMEWHAT | 39 | 5 | 56 |
| 4 | NOT AT ALL | 39 | 3 | 58 |
| 3 | DK | 36 | 29 | 36 |
| | 27.SEX | | | |
| 50 | FEMALE | 36 | 4 | 60 |
| 50 | MALE | 38 | 5 | 57 |
| | 28.EDUCATION | | | |
| 6 | SOME GRADE | 34 | 5 | 61 |
| 8 | SOME HIGH | 38 | 6 | 56 |
| 36 | HIGH GRAD | 40 | 5 | 55 |
| 2 | TECH-VOC | 22 | 0 | 78 |
| 21 | SOME COLLEGE | 38 | 1 | 61 |
| 17 | COLLEGE GRAD | 35 | 6 | 59 |
| 9 | GRAD SCHOOL | 33 | 2 | 65 |
| 0 | DK | 25 | 0 | 75 |
| | 29.INCOME | | | |
| 8 | $0-6999 | 39 | 9 | 52 |
| 9 | $7-9999 | 37 | 2 | 60 |
| 7 | $10-12999 | 39 | 8 | 53 |
| 7 | $13-14999 | 47 | 0 | 53 |
| 13 | $15-19999 | 38 | 4 | 58 |
| 14 | $20-24999 | 34 | 6 | 60 |
| 35 | $25000 AND OVER | 34 | 2 | 64 |
| 6 | REFUSED | 46 | 13 | 41 |
| 2 | DK | 21 | 5 | 74 |
| | 30.AGE | | | |
| 17 | 18-25 | 43 | 3 | 54 |
| 26 | 26-35 | 38 | 3 | 60 |
| 16 | 36-45 | 41 | 6 | 53 |
| 17 | 46-55 | 32 | 4 | 65 |
| 11 | 56-65 | 42 | 3 | 55 |
| 12 | OVER 65 | 26 | 9 | 65 |
| 1 | REFUSED | 30 | 10 | 60 |

Lower rates if companies leave area (continued)

1. FAVOR 2. DK
3. OPPOSE

| | | 1. | 2. | 3. |
|---|---|---|---|---|
| Responses = 998 | | | | |
| MARGINALS | | 37 | 4 | 59 |
| | AREA | | | |
| 15 | NORTHEAST | 39 | 7 | 54 |
| 24 | INDUSTRIAL | 38 | 7 | 55 |
| 13 | MIDLANDS | 41 | 2 | 57 |
| 22 | SOUTH | 32 | 2 | 66 |
| 14 | CENTRAL | 41 | 3 | 56 |
| 13 | PACIFIC | 32 | 5 | 63 |

In both this last question, then, and the earlier one about raising industrial rates even if it does lead to higher prices, six out of ten Americans feel that industry's charges for electricity should be based on what it actually costs the electric utility to supply them with their electricity. However, just under 40% take the opposite position.

Our final question approached this issue directly by explicitly asking people whether they would be willing to sacrifice the promise of higher industrial growth and more jobs in their area in return for the lower electric bills that might result from not allowing cost-of-servie pricing for industry. As the next table shows, even with this strongly worded tradeoff, just over one-third of the population are still in favor of having industry pay more for its electricity than it costs to supply them with their power. Nearly twice that number reject this idea and instead opt for the promise of more economic growth.

Let's say there was a clear choice--your own electric rates would go up less rapidly but industrial expansion and the number of new plants and jobs in your area would be reduced. If that were the choice, would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose having industrial electricity users pay more than it costs to supply them with the electricity they use?

| | |
|---|---|
| Strongly favor | 9% |
| Somewhat favor | 26 |
| Somewhat oppose | 35 |
| Strongly oppose | 28 |
| (Don't know) | 3 |

Demographic breakdowns show that better educated people are more likely than their counterparts to favor the promise of more industrial growth over lower electricity rates for themselves. A complete demographic analysis follows.

Let's say there was a clear choice--your own electric rates would go up less rapidly but industrial expansion and the number of new plants and jobs in your area would be reduced. If that were the choice, would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose having industrial electricity users pay more than it costs to supply them with the electricity they use?

1. STRONGLY FAVOR
2. FAVOR
3. OPPOSE
4. STRONGLY OPPOSE
5. DK

| | Responses = 1000 | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| | MARGINALS | 9 | 26 | 35 | 28 | 3 |
| | 18.PRICE BASED ON UTILITY'S COSTS | | | | | |
| 28 | TOTALLY | 9 | 20 | 31 | 39 | 2 |
| 30 | MOSTLY | 7 | 26 | 39 | 25 | 3 |
| 35 | SOMEWHAT | 8 | 34 | 36 | 20 | 3 |
| 4 | NOT AT ALL | 14 | 11 | 27 | 46 | 3 |
| 3 | DK | 21 | 18 | 36 | 14 | 11 |
| | 27.SEX | | | | | |
| 50 | FEMALE | 8 | 29 | 38 | 23 | 3 |
| 50 | MALE | 9 | 23 | 32 | 33 | 3 |
| | 28.EDUCATION | | | | | |
| 6 | SOME GRADE | 8 | 21 | 36 | 31 | 3 |
| 8 | SOME HIGH | 16 | 36 | 25 | 20 | 3 |
| 37 | HIGH GRAD | 10 | 29 | 35 | 24 | 2 |
| 2 | TECH-VOC | 0 | 33 | 28 | 33 | 6 |
| 21 | SOME COLLEGE | 7 | 21 | 41 | 30 | 1 |
| 17 | COLLEGE GRAD | 7 | 25 | 32 | 31 | 5 |
| 9 | GRAD SCHOOL | 7 | 22 | 36 | 33 | 2 |
| 0 | DK | 0 | 25 | 0 | 75 | 0 |
| | 29.INCOME | | | | | |
| 8 | $0-6999 | 14 | 20 | 29 | 28 | 9 |
| 9 | $7-9999 | 8 | 23 | 34 | 34 | 1 |
| 7 | $10-12999 | 8 | 25 | 43 | 21 | 3 |
| 7 | $13-14999 | 10 | 38 | 31 | 22 | 0 |
| 13 | $15-19999 | 8 | 27 | 40 | 24 | 2 |
| 14 | $20-24999 | 7 | 30 | 30 | 30 | 2 |
| 35 | $25000 AND OVER | 7 | 23 | 37 | 30 | 3 |
| 6 | REFUSED | 11 | 27 | 34 | 20 | 9 |
| 2 | DK | 5 | 37 | 26 | 32 | 0 |
| | 30.AGE | | | | | |
| 17 | 18-25 | 9 | 27 | 39 | 25 | 0 |
| 26 | 26-35 | 6 | 26 | 39 | 28 | 1 |
| 16 | 36-45 | 9 | 32 | 27 | 29 | 3 |
| 17 | 46-55 | 10 | 22 | 36 | 29 | 2 |
| 11 | 56-65 | 12 | 23 | 34 | 29 | 3 |
| 12 | OVER 65 | 8 | 26 | 31 | 26 | 9 |
| 1 | REFUSED | 0 | 10 | 20 | 40 | 30 |

Industrial users pay more than costs (continued)

1. STRONGLY FAVOR
2. FAVOR
3. OPPOSE
4. STRONGLY OPPOSE
5. DK

| | Responses = 1000 | 1. | 2. | 3. | 4. | 5. |
|---|---|---|---|---|---|---|
| | MARGINALS | 9 | 26 | 35 | 28 | 3 |
| | AREA | | | | | |
| 15 | NORTHEAST | 10 | 20 | 32 | 35 | 2 |
| 24 | INDUSTRIAL | 9 | 26 | 34 | 28 | 4 |
| 13 | MIDLANDS | 9 | 27 | 36 | 27 | 2 |
| 22 | SOUTH | 12 | 27 | 32 | 27 | 3 |
| 14 | CENTRAL | 2 | 30 | 40 | 24 | 4 |
| 13 | PACIFIC | 8 | 27 | 39 | 24 | 2 |

In the questions discussed in this section, then, we have seen that Americans generally go along with the idea of cost-of-service pricing in the abstract, but come out against it when they discover that industry might as a result pay less on a per unit basis then residential customers. Majorities once again come out in favor of this pricing system in response to a series of questions stating the view that the public might benefit as well because of lower consumer prices and increased jobs (though even here a large minority of diverse people consistently oppose cost-of-service pricing despite these promises). Our findings therefore indicate that majority support for cost-of-service pricing will develop only if people believe that they, as well as industry, will receive clear benefits from this concept.

# APPENDIX A

## The Questionnaire

On a scale from "1" to "7," where "1" means "not difficult at all" and "7" means "very difficult," I would like you to tell me how difficult you feel the problem of providing an adequate and reliable supply of electricity in your area is. The more difficult you feel the problem is, the higher the number you would give.

1. How difficult today is the problem of providing an adequate and reliable supply of electricity in your area?

| | Not difficult at all | | | | | Very difficult | | [DON'T KNOW] |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| National | 25% | 14 | 18 | 14 | 16 | 4 | 6 | 1 |
| Alabama | 20% | 14 | 17 | 11 | 18 | 5 | 13 | 2 |
| California | 22% | 13 | 16 | 15 | 18 | 7 | 7 | 2 |
| Connecticut | 28% | 10 | 17 | 15 | 13 | 6 | 7 | 4 |
| Louisiana | 24% | 10 | 14 | 14 | 21 | 6 | 8 | 4 |
| Ohio | 26% | 16 | 20 | 13 | 14 | 3 | 5 | 2 |
| West Virginia | 33% | 16 | 13 | 13 | 15 | 4 | 5 | 1 |

2. How difficult 10 years from now do you think the problem of providing an adequate and reliable supply of electricity will be in your area?

| | Not difficult at all | | | | | Very difficult | | [DON'T KNOW] |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| National | 11% | 7 | 11 | 12 | 17 | 14 | 24 | 5 |
| Alabama | 9% | 8 | 11 | 7 | 17 | 12 | 32 | 4 |
| California | 9% | 4 | 10 | 10 | 14 | 17 | 33 | 4 |
| Connecticut | 15% | 4 | 10 | 9 | 16 | 14 | 22 | 10 |
| Louisiana | 10% | 8 | 8 | 8 | 16 | 11 | 33 | 5 |
| Ohio | 13% | 8 | 11 | 7 | 20 | 15 | 19 | 6 |
| West Virginia | 16% | 10 | 11 | 11 | 16 | 10 | 19 | 7 |

I'm going to read you some proposals for ways of providing an adequate supply of electricity, and I'd like you to tell me whether you strongly favor, favor, oppose, or strongly oppose each one.

3. Increasing our use of coal to generate electricity

| | Strongly favor | Favor | Oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| National | 23% | 57 | 13 | 5 | 2 |
| Alabama | 26% | 53 | 14 | 5 | 1 |
| California | 19% | 51 | 19 | 7 | 4 |
| Connecticut | 24% | 52 | 18 | 3 | 2 |
| Louisiana | 21% | 52 | 17 | 7 | 3 |
| Ohio | 33% | 51 | 11 | 4 | 1 |
| West Virginia | 57% | 38 | 3 | 2 | — |

4. Building more nuclear power plants to generate electricity

| | Strongly favor | Favor | Oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| National | 15% | 32 | 29 | 21 | 2 |
| Alabama | 16% | 36 | 25 | 19 | 3 |
| California | 18% | 31 | 24 | 25 | 2 |
| Connecticut | 18% | 32 | 23 | 24 | 3 |
| Louisiana | 17% | 36 | 20 | 22 | 4 |
| Ohio | 11% | 37 | 27 | 22 | 2 |
| West Virginia | 12% | 28 | 25 | 31 | 4 |

5. Increased conservation of electricity by individual consumers, business, and industry

| | Strongly favor | Favor | Oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| National | 40% | 46 | 8 | 3 | 2 |
| Alabama | 32% | 48 | 13 | 4 | 2 |
| California | 46% | 43 | 6 | 4 | 1 |
| Connecticut | 50% | 39 | 8 | 2 | 1 |
| Louisiana | 42% | 42 | 8 | 5 | 3 |
| Ohio | 34% | 49 | 8 | 6 | 3 |
| West Virginia | 39% | 47 | 9 | 3 | 2 |

6. On a scale from "1" to "7," how would you rate your electric company overall if "1" means "very, very bad" and "7" means "very, very good"?

| | Very, very bad | | | | | | Very, very good | [DON'T KNOW] |
|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| National | 5% | 3 | 11 | 18 | 27 | 19 | 18 | — |
| Alabama | 9% | 3 | 11 | 18 | 24 | 17 | 17 | — |
| California | 5% | 5 | 8 | 20 | 23 | 19 | 19 | 1 |
| Connecticut | 6% | 4 | 12 | 14 | 28 | 14 | 18 | 3 |
| Louisiana | 7% | 5 | 8 | 16 | 22 | 17 | 23 | 1 |
| Ohio | 5% | 3 | 8 | 16 | 29 | 17 | 22 | — |
| West Virginia | 3% | 3 | 6 | 12 | 24 | 20 | 32 | — |

7. Approximately what is your average monthly electric bill?

| | $0-25 | $26-50 | $51-75 | $76-100 | $101-125 | $126-150 | $151-175 | $176-200 | Over $200 | (Don't know) |
|---|---|---|---|---|---|---|---|---|---|---|
| National | 19% | 37 | 17 | 12 | 4 | 2 | 1 | 1 | 2 | 5 |
| Alabama | 6% | 30 | 23 | 22 | 5 | 7 | 2 | 2 | 2 | 2 |
| California | 38% | 30 | 13 | 8 | 1 | 2 | 1 | — | 1 | 6 |
| Connecticut | 14% | 43 | 16 | 10 | 4 | 2 | 1 | 1 | 1 | 10 |
| Louisiana | 5% | 20 | 22 | 24 | 11 | 7 | 3 | 3 | 2 | 4 |
| Ohio | 21% | 39 | 16 | 8 | 2 | 2 | 2 | 1 | 1 | 8 |
| West Virginia | 22% | 45 | 16 | 10 | 2 | 1 | 1 | — | — | 4 |

8. Generally, would you say that the rates your electric company charges are very high, somewhat high, about right, somewhat low, or very low?

| | Very high | Somewhat high | About right | Somewhat low | Very low | (Don't know) |
|---|---|---|---|---|---|---|
| National | 28% | 38 | 29 | 3 | 1 | 1 |
| Alabama | 33% | 43 | 22 | 1 | 1 | — |
| California | 26% | 33 | 36 | 3 | 2 | 1 |
| Connecticut | 33% | 42 | 20 | 1 | 1 | 3 |
| Louisiana | 37% | 31 | 30 | 1 | — | 1 |
| Ohio | 27% | 39 | 29 | 3 | — | 1 |
| West Virginia | 16% | 36 | 44 | 3 | 1 | 1 |

9. Which do you think has gone up more since 1967--the cost of electricity or the cost of most other things?

| | Cost of electricity | (Don't know) | Cost of most other things |
|---|---|---|---|
| National | 29% | 6 | 65 |
| Alabama | 45% | 7 | 48 |
| California | 25% | 6 | 70 |
| Connecticut | 29% | 10 | 62 |
| Louisiana | 32% | 7 | 61 |
| Ohio | 18% | 6 | 76 |
| West Virginia | 17% | 5 | 78 |

10. Do you think your electric company sets its own rates, or does a state commission set the rates that your electric company charges?

| | Electric companies set own rates | (Don't know) | State commission sets rates |
|---|---|---|---|
| National | 42% | 9 | 49 |
| Alabama | 45% | 9 | 45 |
| California | 41% | 8 | 51 |
| Connecticut | 41% | 12 | 47 |
| Louisiana | 40% | 13 | 48 |
| Ohio | 45% | 8 | 47 |
| West Virginia | 31% | 15 | 53 |

Here are reasons some people give for the rise in electricity prices during the last 5 years or so. Please tell me if you think each of these is a very important, somewhat important, not very important, or not at all important reason for rising electricity prices.

11. Increased costs of fuel used to generate electricity

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| National | 54% | 38 | 5 | 2 | 1 |
| Alabama | 51% | 38 | 7 | 4 | 1 |
| California | 58% | 34 | 6 | 2 | 1 |
| Connecticut | 63% | 30 | 5 | 1 | 1 |
| Louisiana | 58% | 31 | 7 | 3 | 2 |
| Ohio | 51% | 42 | 4 | 2 | 1 |
| West Virginia | 51% | 38 | 9 | 2 | 1 |

12. Dependence on imported oil as a fuel for generating electricity

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| National | 46% | 31 | 15 | 7 | 1 |
| Alabama | 38% | 34 | 14 | 11 | 3 |
| California | 45% | 34 | 13 | 7 | 2 |
| Connecticut | 59% | 26 | 10 | 5 | 1 |
| Louisiana | 44% | 35 | 15 | 5 | 2 |
| Ohio | 41% | 30 | 19 | 9 | 1 |
| West Virginia | 43% | 25 | 17 | 11 | 3 |

13. The time it takes to meet environmental and health and safety regulations that are required by the government before a new power plant can be built

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| National | 47% | 35 | 12 | 5 | 2 |
| Alabama | 47% | 36 | 11 | 4 | 2 |
| California | 44% | 33 | 13 | 7 | 3 |
| Connecticut | 38% | 36 | 16 | 7 | 3 |
| Louisiana | 50% | 31 | 10 | 6 | 3 |
| Ohio | 54% | 31 | 10 | 3 | 1 |
| West Virginia | 49% | 32 | 12 | 4 | 4 |

14. The cost of controlling and decreasing air and water pollution caused by power plants

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| National | 45% | 35 | 15 | 3 | 2 |
| Alabama | 46% | 35 | 12 | 4 | 2 |
| California | 41% | 37 | 15 | 5 | 2 |
| Connecticut | 37% | 41 | 14 | 6 | 2 |
| Louisiana | 41% | 35 | 15 | 6 | 3 |
| Ohio | 48% | 36 | 11 | 3 | 2 |
| West Virginia | 50% | 31 | 10 | 4 | 4 |

15. The slow-down in constructing nuclear power plants

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| National | 33% | 33 | 23 | 7 | 4 |
| Alabama | 38% | 33 | 19 | 6 | 4 |
| California | 32% | 31 | 19 | 15 | 3 |
| Connecticut | 37% | 30 | 18 | 10 | 4 |
| Louisiana | 34% | 35 | 17 | 10 | 4 |
| Ohio | 33% | 31 | 24 | 8 | 4 |
| West Virginia | 33% | 27 | 21 | 12 | 7 |

16. The slow pace of conversion to greater use of coal to generate electricity

| | Very important | Somewhat important | Not very important | Not at all important | (Don't know) |
|---|---|---|---|---|---|
| National | 46% | 35 | 13 | 4 | 3 |
| Alabama | 52% | 33 | 10 | 4 | 1 |
| California | 33% | 38 | 18 | 8 | 3 |
| Connecticut | 44% | 33 | 14 | 7 | 2 |
| Louisiana | 41% | 34 | 16 | 4 | 5 |
| Ohio | 45% | 37 | 11 | 5 | 2 |
| West Virginia | 65% | 25 | 9 | 2 | 2 |

17. Considering all the different ways you use electricity in your daily life and the benefits you receive for what you pay for electricity, do you feel that the rates your electric company charges are very high, somewhat high, about right, somewhat low, or very low?

| | Very high | Somewhat high | About right | Somewhat low | Very low | (Don't know) |
|---|---|---|---|---|---|---|
| National | 22% | 44 | 30 | 3 | 1 | 1 |
| Alabama | 27% | 46 | 25 | 1 | 1 | — |
| California | 19% | 36 | 40 | 4 | 1 | — |
| Connecticut | 27% | 42 | 26 | 1 | 1 | 2 |
| Louisiana | 28% | 37 | 30 | 2 | 1 | 1 |
| Ohio | 19% | 46 | 30 | 3 | 1 | 1 |
| West Virginia | 13% | 34 | 50 | 2 | 1 | 1 |

18. Just in general, do you feel that the price of electricity to a consumer should be based totally, mostly, somewhat, or not at all on what it actually costs an electric utility to supply electricity to that consumer?

| | Totally | Mostly | Somewhat | Not at all | (Don't know) |
|---|---|---|---|---|---|
| National | 28% | 30 | 35 | 4 | 3 |
| Alabama | 36% | 21 | 38 | 4 | 2 |
| California | 29% | 31 | 34 | 5 | 2 |
| Connecticut | 31% | 27 | 35 | 3 | 4 |
| Louisiana | 33% | 20 | 36 | 4 | 7 |
| Ohio | 31% | 31 | 32 | 3 | 3 |
| West Virginia | 32% | 24 | 35 | 5 | 3 |

19. Do you think that poorer people should pay less for the electricity they use or do you think that they should pay the same rates as other users?

| | Pay less | (Don't know) | Pay the same |
|---|---|---|---|
| National | 33% | 2 | 64 |
| Alabama | 34% | 2 | 64 |
| California | 32% | 3 | 64 |
| Connecticut | 28% | 3 | 69 |
| Louisiana | 33% | 3 | 65 |
| Ohio | 36% | 3 | 61 |
| West Virginia | 33% | 4 | 63 |

20. It has been proposed that the government help poorer people pay for a certain basic amount of electricity. Would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose such a program?

| | Strongly favor | Somewhat favor | Somewhat oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| National | 26% | 34 | 20 | 19 | 1 |
| Alabama | 29% | 31 | 17 | 22 | 2 |
| California | 21% | 38 | 18 | 21 | 1 |
| Connecticut | 24% | 36 | 21 | 18 | 1 |
| Louisiana | 29% | 31 | 14 | 24 | 2 |
| Ohio | 22% | 35 | 22 | 20 | 2 |
| West Virginia | 24% | 38 | 18 | 18 | 2 |

21. In many parts of the United States industries that use a lot of electricity pay less than residential electricity users for each unit of electricity they use. Some say it is fair that industrial users pay less for each unit of electricity because it actually costs less to produce, transmit, and maintain this high volume, high voltage electrical service to industrial users than to provide electricity to residential users. Other say this is not fair. Even if it costs less to provide their service, they say industrial users should still pay the same rates as residential users because they can afford higher electricity rates more than residential users can. Assuming that it actually does cost less to provide electricity to industrial users, would you favor a system of charging industrial users less or would you favor charging industrial and residential users the same amount for each unit of electricity they use?

| | Favor system of charging industrial users less | (Don't know) | Favor charging all users same amount for each unit of electricity |
|---|---|---|---|
| National | 35% | 2 | 63 |
| Alabama | 32% | 2 | 65 |
| California | 36% | 1 | 62 |
| Connecticut | 36% | 2 | 62 |
| Louisiana | 29% | 3 | 69 |
| Ohio | 35% | 1 | 64 |
| West Virginia | 32% | 1 | 67 |

22. How much effect do you think the electricity rates paid by industry have on the prices they charge consumers for the products they make? Do you feel that industrial electricity rates have a large effect on the prices paid by consumers for products and services, some effect, hardly any effect, or no effect at all?

| | A large effect | Some effect | Hardly any effect | No effect at all | (Don't know) |
|---|---|---|---|---|---|
| National | 25% | 55 | 11 | 6 | 2 |
| Alabama | 27% | 52 | 9 | 10 | 1 |
| California | 28% | 54 | 10 | 6 | 2 |
| Connecticut | 27% | 50 | 12 | 6 | 4 |
| Louisiana | 26% | 51 | 10 | 8 | 5 |
| Ohio | 27% | 51 | 15 | 4 | 3 |
| West Virginia | 27% | 52 | 12 | 6 | 3 |

23. Some people say that making industrial users pay more for their electricity will help hold down electricity rates for residential consumers. Others say that while raising rates for industrial users may hold down residential electricity rates, consumers won't gain anything in the long run because higher industrial rates will ultimately just be passed along to consumers in the form of higher prices for products and services. Would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose raising industrial electrical rates if in fact, this did lead to increased prices for the goods and services industries produce?

| | Strongly favor | Somewhat favor | Somewhat oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| National | 12% | 27 | 29 | 30 | 3 |
| Alabama | 11% | 25 | 33 | 29 | 2 |
| California | 15% | 25 | 29 | 28 | 3 |
| Connecticut | 12% | 22 | 29 | 32 | 5 |
| Louisiana | 13% | 26 | 29 | 27 | 5 |
| Ohio | 10% | 29 | 29 | 28 | 3 |
| West Virginia | 13% | 28 | 30 | 25 | 4 |

24. Let's say a company is deciding where to build a new factory and has two or three different areas or regions under consideration. Assuming all other costs are relatively equal, do you think the company pays a lot of attention, as they make their plant location decision, to what the electric rates are in each location, some attention, only a little attention, or no attention at all?

| | A lot of attention | Some attention | Only a little attention | No attention at all | (Don't know) |
|---|---|---|---|---|---|
| National | 28% | 44 | 15 | 12 | 1 |
| Alabama | 36% | 41 | 12 | 9 | 2 |
| California | 31% | 40 | 15 | 12 | 2 |
| Connecticut | 26% | 40 | 18 | 13 | 3 |
| Louisiana | 34% | 37 | 11 | 15 | 3 |
| Ohio | 30% | 46 | 12 | 11 | 2 |
| West Virginia | 29% | 41 | 19 | 10 | 1 |

25. Thinking about this area--would you favor or oppose having industrial users of electricity pay more than it costs to supply them with the electricity they use--thus holding down the increase in residential rates--if this meant that some companies and factories would not expand their operations and increase jobs in this area or might actually move to other areas that have lower industrial electricity rates?

| | Favor | (Don't know) | Oppose |
|---|---|---|---|
| National | 37% | 4 | 59 |
| Alabama | 40% | 4 | 56 |
| California | 37% | 4 | 58 |
| Connecticut | 31% | 6 | 63 |
| Louisiana | 34% | 5 | 60 |
| Ohio | 34% | 5 | 61 |
| West Virginia | 33% | 4 | 63 |

26. Let's say there was a clear choice--your own electric rates would go up less rapidly but industrial expansion and the number of new plants and jobs in your area would be reduced. If that were the choice, would you strongly favor, somewhat favor, somewhat oppose, or strongly oppose having industrial electricity users pay more than it costs to supply them with the electricity they use?

| | Strongly favor | Somewhat favor | Somewhat oppose | Strongly oppose | (Don't know) |
|---|---|---|---|---|---|
| National | 9% | 26 | 35 | 28 | 3 |
| Alabama | 9% | 24 | 40 | 25 | 2 |
| California | 10% | 26 | 32 | 27 | 4 |
| Connecticut | 9% | 23 | 37 | 28 | 4 |
| Louisiana | 9% | 24 | 32 | 30 | 4 |
| Ohio | 10% | 24 | 34 | 28 | 3 |
| West Virginia | 9% | 24 | 37 | 27 | 2 |

I'd like to ask you a few last questions for statistical purposes only.

27. [OBSERVATION] Sex

| | Female | Male |
|---|---|---|
| National | 50% | 50 |
| Alabama | 53% | 47 |
| California | 50% | 50 |
| Connecticut | 51% | 49 |
| Louisiana | 51% | 49 |
| Ohio | 53% | 47 |
| West Virginia | 50% | 50 |

28. What was the last grade you completed in school?

1. Some grade school (1-8)
2. Some high school (9-11)
3. Graduated high school
4. Technical/vocational school
5. Some college
6. Graduated college
7. Graduate/professional school
8. (Don't know)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| National | 6% | 8 | 37 | 2 | 21 | 17 | 9 | — |
| Alabama | 8% | 15 | 36 | 3 | 19 | 12 | 5 | 1 |
| California | 1% | 7 | 31 | 1 | 33 | 18 | 9 | — |
| Connecticut | 4% | 8 | 33 | 3 | 20 | 23 | 8 | 1 |
| Louisiana | 7% | 16 | 35 | 2 | 17 | 15 | 6 | — |
| Ohio | 5% | 10 | 43 | 3 | 18 | 15 | 6 | — |
| West Virginia | 11% | 12 | 43 | 2 | 14 | 12 | 6 | 1 |

29. In which of the categories I read is the total annual income of this entire household--of everyone living in this house? [READ RESPONSES]

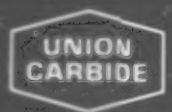
1. $0-6,999
2. $7-9,999
3. $10-12,999
4. $13-14,999
5. $15-19,999
6. $20-24,999
7. $25,000 and over
8. (Refused)
9. (Don't know)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
| National | 8% | 9 | 7 | 7 | 13 | 14 | 35 | 6 | 2 |
| Alabama | 13% | 10 | 8 | 8 | 14 | 16 | 23 | 6 | 3 |
| California | 9% | 5 | 6 | 6 | 12 | 13 | 43 | 4 | 2 |
| Connecticut | 6% | 9 | 7 | 7 | 14 | 12 | 32 | 9 | 4 |
| Louisiana | 10% | 8 | 8 | 7 | 14 | 14 | 30 | 5 | 4 |
| Ohio | 7% | 7 | 10 | 7 | 13 | 17 | 30 | 7 | 1 |
| West Virginia | 10% | 11 | 10 | 7 | 16 | 14 | 25 | 3 | 3 |

30. What is your age? [RECORD IN PROPER CATEGORY]

1. 18-25
2. 26-35
3. 36-45
4. 46-55
5. 56-65
6. Over 65
7. (Refused)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| National | 17% | 26 | 16 | 17 | 11 | 12 | 1 |
| Alabama | 18% | 20 | 16 | 17 | 15 | 12 | 1 |
| California | 19% | 28 | 18 | 12 | 12 | 10 | 1 |
| Connecticut | 18% | 22 | 16 | 14 | 15 | 15 | — |
| Louisiana | 21% | 23 | 15 | 14 | 12 | 14 | 1 |
| Ohio | 18% | 24 | 16 | 14 | 15 | 12 | 1 |
| West Virginia | 18% | 22 | 14 | 18 | 17 | 10 | 1 |




Union Carbide Corporation
Corporate Communications Department
270 Park Avenue
New York, N.Y. 10017

F-10274

Printed in U.S.A.